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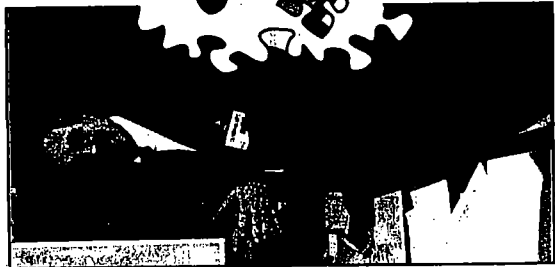
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Will Hub merchant fit Clinton puzzle?

by JILL CAMBON
JOURNAL STAFF



Eli Segal is an FOB.

BOSTON
BUSINESS
JOURNAL
JAN. 11, 1993

PHOTOCOPY
PRESERVATION

that sells elaborate puzzles, offbeat toys and novelty games, in 1984. The company now posts annual sales of \$11 million. In 1990 he bought Games magazine, a publication for puzzle junkies, out of bankruptcy by paying cash for the magazine; he has since boosted its circulation to 225,000. Last year Segal launched a spinoff publication, Pencil-wise Extra. He is now looking to start up additional related publications.

A graduate of Brandeis University and the University of Michigan Law School, Segal was drawn to politics during the 1960s anti-war movement. He worked his first presidential campaign in 1968, for anti-war candidate Eugene McCarthy.

Segal met Bill Clinton in the summer of 1969 on Martha's Vineyard, during a weekend reunion of McCarthy campaign veterans and other friends. During the recent presidential campaign, the Republican party tried to portray such gatherings as examples of Clinton's involvement in subversive activities, Segal said.

"We spent most of the time water-skiing rather than plotting," he laughed.

In 1972, as assistant manager of George McGovern's presidential campaign, he hired Clinton

SEGAL, PAGE 20

Before Eli Segal decides to expand his Boston mail-order puzzle and magazine business, he is waiting to hear from a friend—President-elect Bill Clinton.

Segal, who served as chief of staff of the Clinton presidential campaign, may be in line for a high-level job in the new administration. "My business plans depend a great deal on what my future is like," he said in a phone interview last week from his new Back Bay home.

Since the election, Segal has been splitting his time between Clinton's transition headquarters in Little Rock, Ark., and Boston. His friends expect he will soon be moving to Washington. If he does not take a job with the administration, he will continue in his role as informal adviser to the president.

For the past 24 years, Segal has straddled the worlds of business and politics. His friends say his business expertise has distinguished him in the campaign trenches. Segal launched Bits & Pieces, a mail-order catalog

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Boston Business



photo by John Nordell

President-elect Bill Clinton, seen here in Boston last fall, relied on Segal's logistical skills.

SEGAL

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to coordinate Texas. McGovern took a beating in the state, which was a source of good-natured ribbing between Segal and Clinton during the recent campaign. "I would tease him that I would do for him what he did in Texas in '72," Segal said.

Hart campaign roles

After the McGovern campaign, Clinton and Segal remained friendly. "We'd get together whenever he was in New England," Segal said.

Segal did some minor work in subsequent presidential campaigns but his next major role came in 1984, when he served as chief of staff on his friend Gary Hart's campaign. In 1987, he again worked for Hart as national finance chairman.

In 1991, Clinton asked Segal to manage his campaign for president. Having just purchased Games, Segal declined, but he agreed to help out by hiring the campaign staff.

After relaunching Games and starting the spinoff publication, Segal accepted the job of campaign chief of staff last April and moved to Little Rock. It was his responsibility to keep the machine moving. He was in charge of meeting budgets, organizing the staff and arranging the logistics for the campaign. His friends and colleagues say he was key to Clinton's success.

"He knows how to get things done. He brings people of different views and temperaments together," said Paul Giorgio, president of Worcester Publishing, who was a lead advance person for the Clinton campaign.

"I've been in situations in campaigns where a critical point is reached and Eli will come and help you get to the core of the problem," said former state Attorney General James Shannon. Segal advised Shannon during his unsuccessful bid for U.S. Senate in 1984 and the two remained friends. When Shannon was elected attorney general in 1986, he hired Segal's wife, Phyllis, who is an attorney, as one of his deputies.

A time of crisis

"He was brought into the Clinton campaign at time of crisis," Shannon said. "People forget the Clinton campaign was on a life-support system at several points. I think Eli had a lot of influence in pulling it through."

Segal said he has discussed possible positions with the new administration, but nothing has been settled.

"Given his strengths, he could play a wide variety of roles. Whether it's full-time or part-time, it will be an important role," said Alan Leventhal, managing partner of the Beacon Cos. who headed

Clinton's fundraising in the Northeast.

Like Segal, Leventhal is among the Boston contingent of FOBs, or Friends of Bill, a group of mostly baby-boomer professionals who raised money for the campaign or advised Clinton on issues or strategy. Boston attorney Eleanor Acheson, International Data Group chairman Robert Farmer and Andover businessman Alan Solomont are also in that crowd.

Segal's name was floated as a candidate for chief of staff in the new administration, but that job went to someone else. He is rumored to be in line for White House personnel director or special counsel to the president.

"Because of his relationship with Bill Clinton, no matter what he does, he will exercise as much influence as he wants," Giorgio said.

Business plans

If Segal lands in Washington, business expansion plans may go slower than he has planned. At present, Bits & Pieces and Games magazine employ about 25 people, 15 of them in Boston. Games editorial staff is headquartered in New York, but the administrative staff is in Boston. Segal is looking to double the size of his crew. If he joins the Clinton team, the business will be left in the hands of his brother Alan, who is his business partner.

At the firm's Boylston Street headquarters the Bits & Pieces staff decide which products will be carried in the catalog. The company does not manufacture products but hires firms to make some puzzles exclusively for the catalog sales. Distribution is done out of Wisconsin.

Segal, 49, grew up in New York and settled in Wayland in 1981 after purchasing American Publishing Co., a Watertown firm that made games and puzzles. During the 1970s, he was an executive with a consumer products company in New York. He wanted to settle in New England, so he "jumped" at the chance to buy American Publishing. He sold the company in 1986.

He and his wife Phyllis have two children—Jon, 23, who is a student at the Columbia Journalism School, and Mora, 19, who is a student at Yale. Mora took time off from school to work with her father on the campaign, helping out with press logistics.

After living in Wayland for 10 years, Segal recently moved last year to the Back Bay.

In addition to taking time off to work on presidential campaigns, Segal has twice taken breaks from business to teach. In 1987 he taught seniors at Wayland High School about presidential politics. The following year, he and his family spent a year in England where he taught at a university. During that stay in England, he was out of the country for the 1988 presidential election.

"I had had enough," he said. □

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National Service Gains Momentum

Longtime Clinton friend named to develop high-priority program, but budget woes will keep it lean, with much expected of charities

By KRISTIN A. GOSS

WASHINGTON

PRESIDENT CLINTON'S PLAN to make youth service a cornerstone of his Administration is fast gaining momentum:

► The President has named a top campaign official and longtime friend to spearhead the effort. Several other high-ranking White House aides have strong backgrounds or interest in national service.

► Two new reports, one by a national commission and another by the President's staff, have proposed ways to create a youth-service program. The reports, as well as Clinton aides, make it clear that non-profits should play a key role in developing the program but that charities will also be asked to help pay for it.

► Mr. Clinton emphasized the importance of community service in his inaugural address last week, challenging people both young and old to "care for one another."

At the same time, White House aides now admit that the federal budget crisis could make the program far more modest than Mr. Clinton suggested on the campaign trail.

The President appointed Eli J. Segal, a Boston

Continued on Page 8



Eli J. Segal, President Clinton's national-service chief, helping turn an abandoned theater into a "youth think tank" last week: "I will be prepared to move on a step-by-step basis to make sure that we are ready to do things that the American people will take delight in, not just accept."

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What Next in Somalia?

Relief workers continue to provide food and other help to famine-stricken Somalis (right), but now charities are debating how long they should continue to operate feeding centers there. Story on Page 6.

Selling Charity on Television

An increasing number of charities are using program-length television "info-commercials" to raise money. Many say the technique brings in substantial donations.



► The Administration will ask state and local governments, corporations, and non-profits to share the costs of supporting young people in community-service jobs.

Mr. Segal promised to make service the "abiding ethic of our people." The Administration, he said, "would use the White House as a bully pulpit to make the case for service, and do it by being strategic and by being entrepreneurial as we explore alternative ways of empowering kids to do good."

But Mr. Segal said that youth-service advocates should not expect the program to be "enormously large" right away.

"I think it makes sense politically—in this environment of budget deficits—and it also makes sense in terms of ordinary management: Let's not overpromise. Let's build something we can be proud of day by day," Mr. Segal said.

Though Mr. Segal by his own admission has had little experience in community service, youth advocates and Clinton aides said that the businessman's closeness to the President and appointment to a top White House post meant that national service would stay high on the Administration's agenda. Another sign of momentum: President Clinton has named three people with a keen interest and background in national service to senior White House positions. They are:

► William A. Galston, deputy assistant to the President for domestic policy. Mr. Galston, a professor at the University of Maryland's School of Public Affairs, led the "cluster group" that drafted a paper during the transition outlining various ways in which the national service trust could be structured.



In Inaugural Address

Mr. Clinton reaffirmed his interest in a national-service plan last week in his inaugural address.

"I challenge a new generation of young Americans to a season of service—to act on your idealism by helping troubled children, keeping

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■ **Bush aides prepare to move to the non-profit world: Page 12.**

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company with those in need, re-connecting our torn communities," the President said.

And he asked "others who are still young in spirit to give of themselves in service, too."

"In serving, we recognize a simple but powerful truth: We need each other. And we must care for one another."

Mr. Segal, who described himself as a product of the 60's, said the country was witnessing a revival of civic spirit among young people that he believed was lost in subsequent decades. He said his job would be to help the federal government tap that idealism, while avoiding the mistakes that led to the failure of some of the big social programs of the past.

"I think the intentions were great in the 60's and 70's in a lot of programs, but because the intentions were ahead of the performance evaluations, it didn't work," Mr. Segal said. "I will be prepared

He added: "I think that designing programs which do not affect existing jobs, and are not make-work on the other hand, is as hard a thing to do as we go forward as finding the resources in this time of budgetary shortfall."

During the campaign, aides said the program could cost about \$7.5-billion a year and put several hundred thousand young people to work in charities, youth corps, schools, and other organizations.

But Ms. Verveer said that lofty projection might have to be scaled back in yet-unspecified ways. "I think budgetary considerations are going to loom large," she said.

Mr. Segal said the new Administration did not know how much the new program would cost in its first year, or how many young people could participate.

The Commission on National and Community Service estimates that keeping a young person in community service for two years costs \$32,000 to \$40,000, including tuition vouchers, a living allowance, and expenditures for operating the program. Critics of big government, including C. Gregg Petersmeyer, director of President Bush's White House Office of National Service, have questioned whether the government can afford Mr. Clinton's national-service plan.

Countered Mr. Segal: "I say it's too expensive *not* to do national service."

Among the questions Mr. Segal will have to confront: If budget concerns mean that community service will not be an option for everybody, how will the government decide who gets to participate and who must pay back college loans as a portion of their income?

2 Major Reports

As he develops the national-service plan, Mr. Segal will be aided by the advice of scores of youth-service advocates, plus two major reports—the national-service commission's report to Congress, released this month, and an "options paper" drafted by Mr. Clinton's transition panel.

The commission's report, "What You Can Do For Your Country," concludes that:

► It "may be feasible" to expand the number of "intensive full-time" national-service opportunities to 100,000 people within three years of passing legislation that authorizes additional federal expenditures. The total cost could be less than \$2-billion, not all of which would be paid by the federal government.

The government should require local communities to help pay for the programs' operating costs and a living allowance for young people. The commission said that would insure that the local communities "become stakeholders, insisting on high quality service."

► The government should work through a "network of diverse, locally based programs," rather than "a single federal program."

► Local youth-service organizations should compete for volunteers and federal dollars in order to "stimulate a rapid rate of learning, innovation, and improvement."

It was unclear how Mr. Clinton is leaning on any of the proposals, including how much the government would provide in tuition vouchers or student-loan forgiveness for each year that a young person served his or her community.

Mr. Segal said he "can see non-profits and profits being asked to do far more than they have been able to do in the past." But many charities maintain that, in light of the recent recession and years of federal budget cuts, they would have difficulty paying even a partial salary to young people in the community-service program.

Cynicism vs. Idealism

In accepting the post, Mr. Segal said the end of the cold war had brought a new war, "one between cynicism and idealism."

He said in an interview that young people "are turned off by politics, but they are no longer turned off by the idea of serving."

Last week, just before the inauguration, Mr. Segal traveled to an abandoned theater in Washington's northeast section to help scores of young people convert the old building into a "youth think tank." The youth leaders, who call themselves the National Service Project, will use the renovated space to develop ways to influence the Administration's national-service plans. Sponsors included Public Allies, which places young people in non-profit "apprenticeships"; Rock the Vote, a music-industry group that encourages young people to cast their ballots; and Youth Service America, a Washington-based advocacy and technical-assistance organization.

Mr. Segal, who turned 50 this month, said his interest in commu-

nity service was rooted in his political activities, including extensive work on the Presidential campaigns of Eugene McCarthy in 1968, George McGovern in 1972, and Gary Hart in 1987.

"I wish I could say that I've done more community service over the recent years," he said. "I have not. I really have been involved in building businesses. My community service has essentially been to view politics as the vehicle for change."

Mr. Segal received several million dollars from his 1986 sale of American Publishing Company, a jigsaw-puzzle marketer, according to *Business Week*. His current venture, B&P Publishing, has annual sales of about \$15-million, the magazine said.

Although he is virtually unknown in the youth-service field and has had little experience with non-profits, charity leaders said they were heartened both by his reputation as an entrepreneur and by his closeness to Mr. Clinton. They also were pleased that he had turned down, by his count, "three or four" other plum jobs in the new Administration to take the national-service post.

Don Mathis, director of the Pennsylvania Conservation Corps, said that while Mr. Segal "certainly isn't a household name among youth-service folks, except for people who use the games that his companies produce, clearly his interest in the position is important, and clearly his closeness to President Clinton is important."

"That's the single most important factor," agreed Catherine Milton, executive director of the Commission on National and Community Service.

'Tough-Minded Idealist'

Joseph Duffey, president of American University and a friend of Mr. Segal since 1968, called him "a tough-minded idealist" who in both business and politics has built teams and inspired people to do their best.

As an anti-war activist in the 1960's, Mr. Duffey said, Mr. Segal "always had a sense of wanting to be effective more than just to feel good about his activism." Mr. Segal and President Clinton became close friends while working on Mr. Duffey's unsuccessful 1970 campaign for a seat in the U.S. Senate from Connecticut.

Mr. Mathis said that "if Segal can bring some of that creative thinking by way of his managerial skills, and by virtue of his business success, and translate that to the public sector, that to me is a fair trade-off for not having 20 years of community service under his belt."

But some youth-service leaders had reservations. Roger Landrum, executive director of Youth Service America, said he was "very concerned" that Mr. Segal had no background in the area. "If a person is in a very crucial role like that and does not have the depth of understanding of the field," he said, "missteps can be made, as I think they were made in the Bush Administration, in the relationship between the government side of this and the non-profit sector."

Mr. Landrum said that he viewed the Segal appointment with

"cautious optimism" and that the Clinton aide's "world view on the field has yet to be found out."

Served on Boards

Even though he has not been involved in youth-service work, Mr. Segal has had some experience with non-profits.

He serves on the Board of Trustees of Lesley College in Cambridge, Mass., and on the Board of Directors of the International Human Rights Law Group, a Washington non-profit advocacy organization whose activities range from monitoring elections and trials of dissidents around the world, to helping emerging democracies create new constitutions.

Mr. Segal also serves as a director of the Petra Foundation, a charity

created in 1988 by John Shattuck, a Harvard University vice-president and close friend of Mr. Segal, in memory of Mr. Shattuck's late wife, a political scientist. The foundation provides grants of \$5,000 apiece to "unsung individuals who are making distinctive contributions to human freedom." Recipients have included a Brooklyn high-school teacher who helps kids stay out of gangs and the founder of a North Carolina project that urges a shift in federal spending from military to domestic programs.

Mr. Segal said that besides helping develop the National Service Trust Fund, he had not decided what he would use his office to accomplish. For example, he said he had not decided whether the Clinton

Administration would continue honoring volunteers daily, as former President Bush did through his "Points of Light" program. The outgoing Administration named its final honorees last week (see Page 12).

'Galvanize' Private Support

Shortly before his appointment was announced, Mr. Segal spent several hours visiting City Year, a Boston youth-service corps that is frequently touted as a model program to be spread nationwide. Mr. Segal, who has been a donor to City Year, called the program "brilliant" in its blending of community-service philosophy and practice and said it would "be one of many alternative programs that we'll be looking to." He said he

could see both locally based corps and a national program being included in the national-service plan.

Alan Khazei, a founder of City Year who met Mr. Segal while working on the Hart campaign, said he thought that Mr. Segal's business experience would help "galvanize" support from corporations, foundations, and individuals for new service programs.

Mr. Segal said he hoped to bring to his national-service job "my understanding and love and recognition of what was great about the 60's, along with my success in understanding the principles of entrepreneurship." He added: "We are limited only by our imaginations in how we can match human needs with this incredible idealism of youth."

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Longtime Clinton friend named
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- Two new reports, one by a national commission and another by the President's staff, have proposed ways to create a youth-service program. The reports, as well as Clinton aides, make it clear that non-profits should play a key role in developing the program but that charities will also be asked to help pay for it.

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Continued on Page 8

National-Service Proposal Gains Momentum From White House

Continued from Page 1

businessman who was chief of staff in the campaign and has known Mr. Clinton since 1969, to be Assistant to the President and director of the White House Office of National Service.

He will be charged with developing and winning Congressional passage of the proposed National Service Trust Fund, through which young people could receive educational or other benefits in exchange for spending two years doing conservation, social service, or other civic-minded work in their community. Shortly after his election, Mr. Clinton called the trust fund one of his top five priorities.

In accepting the post, Mr. Segal—publisher of *Games* magazine and owner of Bits & Pieces, a mail-order game and puzzle company—acknowledged that the plan had to be developed in light of "fiscal realities." He said in an interview that he expected the program to start small and outlined several ways in which it could remain lean.

Among them:

► It is likely to be implemented "without building a massive new bureaucracy in Washington."

► The federal government should encourage competition among participating youth-service programs by providing "seed grants" and "picking and betting on winners the same way venture-capital firms do all over the United States."

► The Administration will ask state and local governments, corporations, and non-profits to share the costs of supporting young people in community-service jobs.

Mr. Segal promised to make service the "abiding ethic of our people." The Administration, he said, "would use the White House as a bully pulpit to make the case for service, and do it by being strategic and by being entrepreneurial as we explore alternative ways of empowering kids to do good."

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► Shirley Sagawa, special assistant to the President for domestic policy. Ms. Sagawa, who will report to Hillary Clinton, is a public-interest lawyer and former Senate aide who helped draft the National and Community Service Act of 1990. She serves as vice-chairman of the Commission on National and Community Service, which was created under the act to distribute tens of millions of federal dollars to service programs.

► Melanne Verveer, deputy assistant to the President and deputy chief of staff for Mrs. Clinton. Ms. Verveer, a former executive vice-president at People for the American Way and a college classmate of Bill Clinton, was a member of the national-service cluster group during the transition. She said she would work on "coordinating issues" for Mrs. Clinton. (Another non-profit official, Margaret Williams, formerly director of communications at the Children's Defense Fund, will serve as Mrs. Clinton's chief of staff.)

The latest round of appointments "demonstrates that national service is going to be a top-priority issue," Ms. Verveer said. "It's not going to be an issue that falls through the cracks."

Robert Reich, Mr. Clinton's nominee to be the Secretary of Labor, called Mr. Segal "one of Bill Clinton's best friends" and said, "It's a testament to how important Bill Clinton feels about [national service] that he's asked Eli Segal to take this on."

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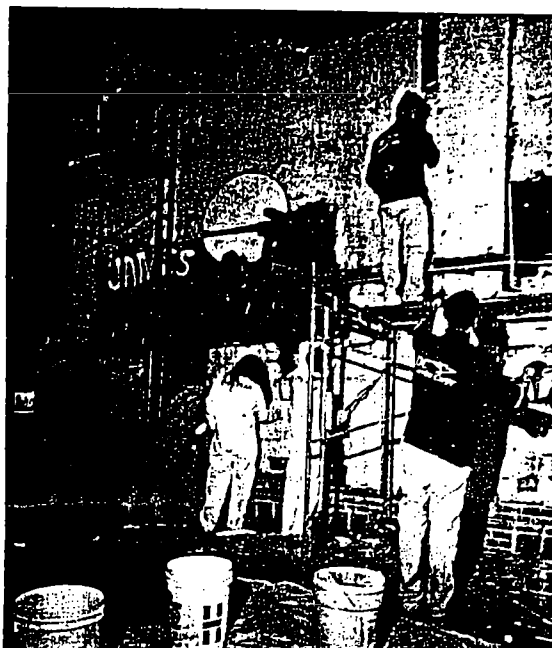
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Among the questions Mr. Segal will have to confront: If budget concerns mean that community service will not be an option for everybody, how will the government decide who gets to participate and who must pay back college loans as a portion of their income?

Most youth-service advocates believe that community service will most benefit the nation if people of all races and classes participate, and that poor kids should not bear most of the responsibility for attacking social problems. But some advocates for the poor believe that people who could not otherwise afford college should be given priority in the community-service program if service slots have to be rationed.

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Clinton aides said they could not release their options paper, which is under consideration by President Clinton, or summarize its recommendations. But Ms. Verveer said the Administration's plans would become clear when legislation is drafted, which she said is expected to happen "fairly quickly," perhaps within the Administration's first 100 days.

Sources who are familiar with drafts of the report—which includes both options and recommendations for the President's consideration—said the recommendations include:

- Allowing young people to perform community service either before or after college.

- Permitting young people who are not college-bound to participate, as well, by giving them vouchers to support them in a job-apprenticeship program.

- Keeping national service decentralized by building on existing youth corps and other service programs while providing seed money to create new models.

- Seeking support for national-service programs from state and local governments, as well as private philanthropy.

- Giving the Commission on National and Community Service a key role in the new program. Under the proposals, it would certify youth-service programs and distribute federal dollars to participating groups.

It was unclear how Mr. Clinton is leaning on any of the proposals, including how much the government would provide in tuition vouchers or student-loan forgiveness for each year that a young person served his or her community.

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Last week, just before the inauguration, Mr. Segal traveled to an abandoned theater in Washington's northeast section to help scores of young people convert the old building into a "youth think tank." The youth leaders, who call themselves the National Service Project, will use the renovated space to develop ways to influence the Administration's national-service plans. Sponsors included Public Allies, which places young people in non-profit "apprenticeships"; Rock the Vote, a music-industry group that encourages young people to cast their ballots; and Youth Service America, a Washington-based advocacy and technical-assistance organization.

Mr. Segal, who turned 50 this month, said his interest in commu-

nity service was rooted in his political activities, including extensive work on the Presidential campaigns of Eugene McCarthy in 1968, George McGovern in 1972, and Gary Hart in 1987.

"I wish I could say that I've done more community service over the recent years," he said. "I have not. I really have been involved in building businesses. My community service has essentially been to view politics as the vehicle for change."

Mr. Segal received several million dollars from his 1986 sale of American Publishing Company, a jigsaw-puzzle marketer, according to *Business Week*. His current venture, B&P Publishing, has annual sales of about \$15-million, the magazine said.

Although he is virtually unknown in the youth-service field and has had little experience with non-profits, charity leaders were heartened both by his closeness to Mr. Clinton and by his reputation as an entrepreneur. They also were pleased that he turned down, by his count, "three or four" other plum jobs in the Administration to take the national-service post.

Don Mathis, director of Pennsylvania Conservation Corp., said that while Mr. Segal "certainly isn't a household name among youth-service folks, except for people who use the games that his companies produce, clearly his interest in the position is important, and clearly his closeness to President Clinton is important."

"That's the single most important factor," agreed Catherine Milton, executive director of the Commission on National and Community Service.

'Tough-Minded Idealist'

Joseph Duffey, president of American University and a friend of Mr. Segal since 1968, called him "a tough-minded idealist" who in both business and politics has built teams and inspired people to do their best.

As an anti-war activist in the 1960's, Mr. Duffey said, Mr. Segal "always had a sense of wanting to be effective more than just to feel good about his activism." Mr. Segal and President Clinton became close friends while working on Mr. Duffey's unsuccessful 1970 campaign for a seat in the U.S. Senate from Connecticut.

Mr. Mathis said that "if Segal can bring some of that creative thinking by way of his managerial skills, and by virtue of his business success, and translate that to the public sector, that to me is a fair trade-off for not having 20 years of community service under his belt."

But some youth-service leaders had reservations. Roger Landrum, executive director of Youth Service America, said he was "very concerned" that Mr. Segal had no background in the area. "If a person is in a very crucial role like that and does not have the depth of understanding of the field," he said, "missteps can be made, as I think they were made in the Bush Administration, in the relationship between the government side of this and the non-profit sector."

Mr. Landrum said that he viewed the Segal appointment with "cautious optimism" and that the Clinton aide's "world view on the field has yet to be found out."

Served on Boards

Even though he has not been involved in youth-service work, Mr. Segal has had some experience with non-profits.

He serves on the Board of Trustees of Lesley College in Cambridge, Mass., and on the Board of Directors of the International Human Rights Law Group, a Washington non-profit advocacy organization whose activities range from monitoring elections and trials of dissidents around the world, to helping emerging democracies create new constitutions.

Mr. Segal also serves as a director of the Petra Foundation, a char-

ity created in 1988 by John Shattuck, a Harvard University vice-president and close friend of Mr. Segal, in memory of Mr. Shattuck's late wife, a political scientist. The foundation provides grants of \$5,000 apiece to "unsung individuals who are making distinctive contributions to human freedom." Recipients have included a Brooklyn high-school teacher who helps kids stay out of gangs and the founder of a North Carolina project that urges a shift in federal spending from military to domestic programs.

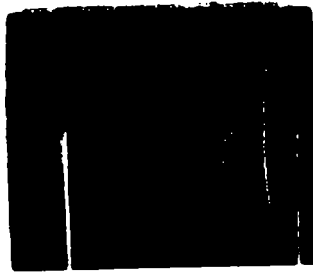
Mr. Segal said that besides helping develop the National Service Trust Fund, he had not decided what he would use his office to accomplish. For example, he said he had not decided whether the Clinton Administration would continue honoring volunteers daily as former President Bush did through his "Points of Light" program. The outgoing Administration named its final honorees last week (see Page 12).

'Galvanize' Private Support

Shortly before his appointment was announced, Mr. Segal spent several hours visiting City Year, a Boston youth-service corps that is frequently touted as a model program to be spread nationwide. Mr. Segal, who has been a donor to City Year, called the program "brilliant" in its blending of community-service philosophy and practice and said it would "be one of many alternative programs that we'll be looking to." He said he could see both locally based corps and a national program being included in the national-service plan.

Alan Khazei, a founder of City Year who met Mr. Segal while working on the Hart campaign, said he thought that Mr. Segal's business experience would help "galvanize" support from corporations, foundations, and individuals for new service programs.

Mr. Segal said he hoped to bring to his national-service job "my understanding and love and recognition of what was great about the 60's, along with my success in understanding the principles of entrepreneurship." He added: "We are limited only by our imaginations in how we can match human needs with this incredible idealism of youth."



NYT

2/5

Clinton's National Service Program Will Have Modest Start

By GWEN IFILL

Special to The New York Times

WASHINGTON, Feb. 4 — The White House said today that the ambitious national service program Bill Clinton proposed in the Presidential campaign would begin as a more modest and economical effort to encourage volunteerism.

George Stephanopoulos, the White House communications director, said President Clinton "intends to fulfill his commitment to build a national service plan" but acknowledged that it would be costly to keep immediately.

In the campaign, Mr. Clinton said his Administration would replace the existing student loan program with one that would give students tuition aid in exchange for donating time to community service after graduation.

Today Mr. Clinton said that he always intended to enact the national service program in stages and that it would take six years for the full slate of options to be offered.

Avoiding a Mess

"Unless the mechanics are such that we can't implement the service program, which I don't believe is the case, I would expect us to get, you know, to be well beyond what you would call a pilot program as soon as we implement it," Mr. Clinton said.

Eli J. Segal, the director of the Office of National Service, said there would not be enough volunteer service slots to accommodate every student who received Government assistance. He said the President was considering a plan that would also allow students to repay

Government loans in amounts related to post-graduate income.

"I think we're in the process stage of figuring out one of the best ways of achieving the objectives," Mr. Segal said. "I think if we had all the money in the world, President Clinton would probably not want to throw it all at this right away. We don't want to create a program that would create a mess in the process."

Neither Mr. Segal nor Mr. Stephanopoulos would characterize the amount of money Mr. Clinton will set aside for the national service program in the budget he gives to Congress on March 23. But both indicated that the President had been forced to change some of his goals as economic circumstances changed.

"It's true that the economic circum-

stances have changed since his election," Mr. Stephanopoulos said. "The deficit is bigger. We are going to have to make tough choices. Some of those choices might entail scaling back some of the investments that he dearly wants to move forward on."

Mr. Segal said limited resources had forced him to focus more on coordinating volunteer programs than on putting a college aid program in place. But he insisted that the service program would eventually emerge intact and should not be classified as another campaign promise that might soon be broken.

"This is at the soul of Bill Clinton," he said. "This is not peripheral. This is not like middle-class tax cuts. He'll walk away from a lot of things before he walks away from national service."



From Bits & Pieces to the White House

WASHINGTON—Eli Segal won't be selling any puzzles for a while. The founder of the \$11 million Bits & Pieces puzzle catalog has a bigger mission now, and he's left his Boston office for new digs in the West Wing of the White House.

Segal, who held high-ranking positions in Bill Clinton's campaign

and transition team, has been named an assistant to the President and will head the newly formed Office of National Service—a sort of domestic Peace Corps that was one of Clinton's major campaign policy initiatives. In naming him to the post on Jan. 14, President Clinton said "[Segal] combines superb business

and management skills with the idealism he has brought to Democratic presidential campaigns for two decades. He will make national service happen."

But even though Segal has Clinton's esteem and carries the all-important nomenclature F.O.B. (friend of Bill), don't count on him

serving as a catalog advocate in White House discussions of use tax or privacy legislation. The ethics rules of the Clinton administration, he says, would require him to "recuse [himself] from discussions of those issues" if they come up. And Segal says he has never discussed the catalog issues of use tax and privacy with Clinton.

March 1993
Ward
Catalan

Nonetheless, Segal is on his way to becoming a major player in the White House. He has known Clinton since 1969 when they met during a Martha's Vineyard gathering of young Democrats interested in shaping the party's future. They worked together on the 1972 George McGovern campaign, and Segal was an early party supporter of the former Arkansas governor. He is also well liked within the Clinton camp, and following the November election, he was a leading candidate for White House chief of staff.



Eli Segal

Segal was an early party supporter of the former Arkansas governor. He is also well liked within the Clinton camp, and following the November election, he was a leading candidate for White House chief of staff.

In early January, however, Segal believed he would be returning to Bits & Pieces after the inauguration; his sole goal, he said, had been getting Clinton elected. Indeed, Segal stresses that he wasn't looking for any White House position. But when the National Service post was offered, he says, he leapt at the "opportunity to tap into the idealism of the youth of America."

With a permanent post in the White House, Segal has left Bits & Pieces in the care of his brother Alan Segal, the former Bits & Pieces vice president who had been running the catalog during the campaign.

Hochberg may follow

Segal may not be the only cataloger in the Clinton administration. Fred Hochberg, president of general merchandise cataloger Lillian Vernon, is resigning, and is a possible White House appointee.

Hochberg, as well as his mother, Lillian Vernon, was an important supporter of Clinton's campaign, and he participated in the December transitional economic summit. He has, he says, made inquiries about a possible appointment. Fellow cataloger Segal, who first met Hochberg at Clinton's January economic summit, says, "I hope [Hochberg] ends up in the administration. He's a quality guy and he did a lot for Bill Clinton."—MP

BALTIMORE CITY

75 volunteers start Summer of Service

By Shanon D. Murray
Staff Writer

Seventy five volunteers — including high school and college students — were sworn in yesterday as Baltimore launched its Summer of Service campaign, a seven-week program that will put the young people to work on education, health and conservation projects.

Baltimore is among 12 cities and states to take part in the \$50 million initiative that was launched by President Clinton. The Summer of Service campaign is a scaled down version of the president's national service initiative, which would provide college students with a \$5,000 stipend in return for community service work.

Eli Segal, director of the White House Office on National Service, attended the ceremony, which was held in City Hall Plaza. He said the administration hopes the Summer of Service Campaign will generate public support for the national service initiative, which has been approved by key committees in the House and Senate.

"Hopefully, the bill will pass Congress before the August recess," Mr. Segal said yesterday. "Community service is the cost effective way of turning our communities over to us again."

Mr. Segal said the Summer of Service program has 1,500 volunteers nationwide, but the national service initiative would enroll 25,000 students during the first year.

"There is a whole galaxy of needs. These kids are being paid minimum wage work for more than minimum wage responsibility," Mr. Segal said.

Baltimore's Summer of Service program will cost about \$500,000. The University of Maryland contributed about \$68,000 to fund the local program. The program's participants

"I tip my hat to President Clinton for making this program happen."

AARON HILL
Program participant

are between the ages of 17 and 25 and they will receive minimum wage — \$4.25 an hour — in addition to a \$1,000 education stipend.

Program participants will work for MPower, a coalition of Maryland service organizations, including the Center for Political Leadership at the University of Maryland, the Maryland Student Service Alliance, and Civic Works, the city's Youth Services Corps.

The 75 participants will perform services such as tutoring children, renovating a recreation center and playground, educating children about sexual activity and substance abuse, and constructing the Gwynn's Falls Greenway from the



LLOYD FOX/STAFF PHOTO

Eli Segal, director of the White House Office on National Service, addresses a rally to start Baltimore's Summer of Service.

Inner Harbor to Gwynn's Falls.

"I tip my hat to President Clinton for making this program happen," said Aaron Hill, a 20-year-old student at Catonsville Community College.

Mr. Hill and five other volunteers work at the Mount Royal Recreation Center in West Baltimore teaching 10- to 14 year-olds about sex, substance abuse and nutrition.

Kevin Harris, another Summer of Service volunteer, has been assigned

to Project Safe Haven on 25th and Greenmount streets. There, he works with other volunteers tutoring 5- to 15 year olds in drug and alcohol prevention and African-American history.

"I wanted to do something positive this summer because I will probably have an internship next summer," said Mr. Harris, an economics major at the University of Maryland. "We are giving these kids alternative activities from drugs and crime."

Official Says Push For National Service Boosted By Flood

Congress Debating Clinton's Plan

By Jon Sawyer

Post-Dispatch Washington Bureau Chief

WASHINGTON — For Eli Segal, the man who heads President Bill Clinton's office of national service, the great flood of 1993 couldn't have come at a better time.

The Senate and the House of Representatives this week have been debating Clinton's national service plan, a program that would offer a minimum-wage stipend plus grants for education in exchange for community service. Up to 25,000 people a year would be eligible.

Beyond "the arcane detail of Washington's legislative debate," Segal notes, hundreds of young people in youth and conservation corps already have pitched in to help with everything from sandbagging levees to hauling debris.

"What's happened in the Midwest has given us a chance to translate our vision into reality, to show how cost-effective national service can be," Segal said this week. "These are young people working at minimum-wage salaries doing anything but minimum-wage work."

However, the examples Segal cites also show how much Clinton's concept of national service has changed since last year's campaign. What was touted then as a way for middle-class students to pay back college tuition loans with community service now includes poor participants with no plans for college.

What remains is the emphasis on service.

Wisconsin's governor, for example, has deployed that state's entire Conservation Corps, some 300 young people, on sandbagging duty. Iowa has 200 Conservation Corps members helping with flood relief. YouthBuild St. Louis is preparing a plan that would recruit 16 young people in a 20-week project aimed at rehabbing the flood-damaged homes of poor St. Louisans.

These are among the programs financed, or under consideration, by the Commission on National and Community Service. Congress set up the commission in 1990, financing it at \$75 million a year. Clinton's plan would combine the commission with ACTION, the agency that administers Volunteers in Service to America and other volunteer programs, and would expand total funding to \$394

million.

Of the \$450,000 available to the commission for disaster assistance, some \$250,000 already has been designated for Iowa. Catherine Milton, the commission's executive director, said the remainder would be allocated to programs in Missouri, Illinois and Wisconsin.

Milton said the flood "dramatizes that we have a need that's there and people [are] willing to help out, people who not only want to help out but who have the experience and the ability to respond in a way that will really benefit the community."

The emergency supplemental appropriations bill before Congress includes another \$2 million designated for national-service pilot programs.

Kathleen Selz, executive director of National Association of Service and Conservation Corps, said she welcomed the expanded role within national service for poor and

noncollege participants. Her group represents about 80 youth and conservation corps around the country.

"We are the forebearers" of the national service idea, Selz said. "Our youth corps are the current major source for full-time national service participants, and we've been around for a long time."

"When the president began talking about this, he didn't know we were out there," she said. "Needless to say, we promptly informed him."

Joyce Sonn, program director for YouthBuild St. Louis, said Thursday that she was preparing a proposal for St. Louis at the request of the national commission. The 16 participants, most of them high school dropouts, would receive vocational training and credit toward a high school degree as they work this fall to rehab the damaged homes of poor St. Louisans.

Participants "would have a chance to show leadership in really helping people," Sonn said, "not only by repairing their homes but to see what happens when people go through that kind of disaster...."

"I think this ties right in" with Clinton's concept of national service, she added. "The whole idea is to show that young people are a valuable asset and that we should utilize their skills and ability."

Eli Segal, who heads Clinton's plan, said young people in the Midwest already were pitching in to help flood victims.

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National Service Gains Momentum

Longtime Clinton friend named to develop high-priority program, but budget woes will keep it lean, with much expected of charities

By KRISTIN A. GOSS

WASHINGTON

PRESIDENT CLINTON'S PLAN to make youth service a cornerstone of his Administration is fast gaining momentum:

- The President has named a top campaign official and longtime friend to spearhead the effort. Several other high-ranking White House aides have strong backgrounds or interest in national service.

- Two new reports, one by a national commission and another by the President's staff, have proposed ways to create a youth-service program. The reports, as well as Clinton aides, make it clear that non-profits should play a key role in developing the program but that charities will also be asked to help pay for it.

- Mr. Clinton emphasized the importance of community service in his inaugural address last week, challenging people both young and old to "care for one another."

At the same time, White House aides now admit that the federal budget crisis could make the program far more modest than Mr. Clinton suggested on the campaign trail.

The President appointed Eli J. Segal, a Boston

Continued on Page 8



Eli J. Segal, President Clinton's national-service chief, helping turn an abandoned theater into a "youth think tank" last week: "I will be prepared to move on a step-by-step basis to make sure that we are ready to do things that the American people will take delight in, not just accept."

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What Next in Somalia?

Relief workers continue to provide food and other help to famine-stricken Somalis (right), but now charities are debating how long they should continue to operate feeding centers there. Story on Page 6.

Selling Charity on Television

An increasing number of charities are using program-length television "infomercials" to raise money. Many say the technique brings in substantial donations, but others say it costs too much. Story on Page 27.



A complete guide to this issue appears on Page 3.

PHOTOCOPY
PRESERVATION

National-Service Proposal Gains Momentum From White House Appointment

Continued from Page 1

businessman who was chief of staff in the campaign and has known Mr. Clinton since 1969, to be Assistant to the President and director of the White House Office of National Service.

He will be charged with developing and winning Congressional passage of the proposed National Service Trust Fund, through which young people could receive educational or other benefits in exchange for spending two years doing conservation, social service, or other civic-minded work in their community. Shortly after his election, Mr. Clinton called the trust fund one of his top five priorities.

In accepting the post, Mr. Segal—publisher of *Games* magazine and owner of Bits & Pieces, a mail-order game and puzzle company—acknowledged that the plan had to be developed in light of "fiscal realities." He said in an interview that he expected the program to start small and outlined several ways in which it could remain lean.

Among them:

► It is likely to be implemented "without building a massive new bureaucracy in Washington."

► The federal government should encourage competition among participating youth-service programs by providing "seed grants" and "picking and betting on winners the same way venture-capital firms do all over the United States."

► The Administration will ask state and local governments, corporations, and non-profits to share the costs of supporting young people in community-service jobs.

Mr. Segal promised to make service the "abiding ethic of our people." The Administration, he said, "would use the White House as a bully pulpit to make the case for service, and do it by being strategic and by being entrepreneurial as we explore alternative ways of empowering kids to do good."

But Mr. Segal said that youth-service advocates should not expect the program to be "enormously large" right away.

"I think it makes sense politically—in this environment of budget deficits—and it also makes sense in terms of ordinary management: Let's not overpromise. Let's build something we can be proud of day by day," Mr. Segal said.

Though Mr. Segal by his own admission has had little experience in community service, youth advocates and Clinton aides said that the businessman's closeness to the President and appointment to a top White House post meant that national service would stay high on the Administration's agenda. Another sign of momentum: President Clinton has named three people with a keen interest and background in national service to senior White House positions. They are:

► William A. Galston, deputy assistant to the President for domestic policy. Mr. Galston, a professor at the University of Maryland's School of Public Affairs, led the "cluster group" that drafted a paper during the transition outlining various ways in which the national-service trust could be structured.

► Shirley Sagawa, special assistant to the President for domestic policy. Ms. Sagawa, who will report to Hillary Clinton, is a public-interest lawyer and former Senate aide who helped draft the National and Community Service Act of 1990. She serves as vice-chairman of the Commission on National and Community Service, which was created under the act to distribute tens of millions of federal dollars to service programs.

► Melanne Verveer, deputy assistant to the President and deputy chief of staff for Mrs. Clinton. Ms. Verveer, a former executive vice-president at People for the American Way and a college classmate of Bill Clinton, was a member of the national-service cluster group during the transition. She said she would work on "coordinating issues" for Mrs. Clinton. (Another non-profit official, Margaret Williams, formerly director of communications at the Children's Defense Fund, will serve as Mrs. Clinton's chief of staff.)

The latest round of appointments "demonstrates that national service is going to be a top-priority issue," Ms. Verveer said. "It's not going to be an issue that falls through the cracks."

Robert Reich, Mr. Clinton's nominee to be the Secretary of Labor, called Mr. Segal "one of Bill Clinton's best friends" and said, "It's a testament to how important Bill Clinton feels about [national service] that he's asked Eli Segal to take this on."

In Inaugural Address

Mr. Clinton reaffirmed his interest in a national-service plan last week in his inaugural address.

"I challenge a new generation of young Americans to a season of service—to act on your idealism by helping troubled children, keeping

- Excerpts from national-service report: Page 10.
- Bush aides prepare to move to the non-profit world: Page 12.
- Bush names final Points of Light: Page 12.

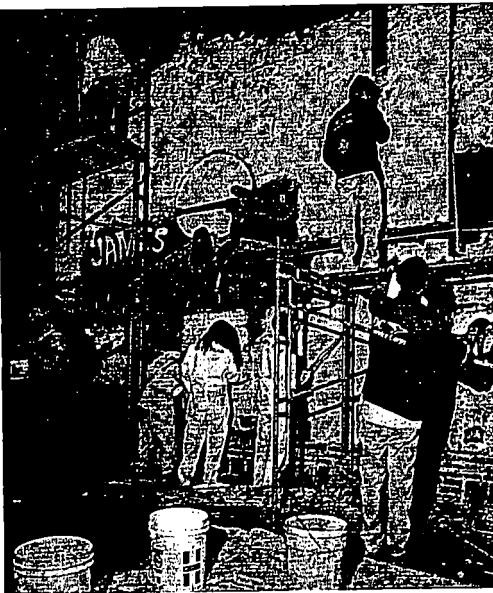
company with those in need, re-connecting our torn communities," the President said.

And he asked "others who are still young in spirit to give of themselves in service, too."

"In serving, we recognize a simple but powerful truth: We need each other. And we must care for one another."

Mr. Segal, who described himself as a product of the 60's, said the country was witnessing a revival of civic spirit among young people that he believed was lost in subsequent decades. He said his job would be to help the federal government tap that idealism, while avoiding the mistakes that led to the failure of some of the big social programs of the past.

"I think the intentions were great in the 60's and 70's in a lot of programs, but because the intentions were ahead of the performance evaluations, it didn't work," Mr. Segal said. "I will be prepared



Youth leaders last week renovated an old theater in Washington so they would have a central place to craft ideas to spur volunteerism.

to move on a step-by-step basis to make sure that we are ready to do things that the American people will take delight in, not just accept."

He added: "I think that designing programs which do not affect existing jobs, and are not make-work on the other hand, is as hard a thing to do as we go forward as finding the resources in this time of budgetary shortfall."

During the campaign, aides said the program could cost about \$7.5-billion a year and put several hundred thousand young people to work in charities, youth corps, schools, and other organizations.

But Ms. Verveer said that lofty projection might have to be scaled back in yet-unspecified ways. "I think budgetary considerations are going to loom large," she said.

Mr. Segal said the new Administration did not know how much the new program would cost in its first year, or how many young people could participate.

The Commission on National and Community Service estimates that keeping a young person in community service for two years costs \$32,000 to \$40,000, including tuition vouchers, a living allowance, and expenditures for operating the program. Critics of big government, including C. Gregg Petersmeyer, director of President Bush's White House Office of National Service, have questioned whether the government can afford Mr. Clinton's national-service plan.

Countered Mr. Segal: "I say it's too expensive not to do national service."

Among the questions Mr. Segal will have to confront: If budget concerns mean that community service will not be an option for everybody, how will the government decide who gets to participate and who must pay back college loans as a portion of their income?

Most youth-service advocates believe that community service will most benefit the nation if people of all races and classes participate, and that poor kids should not bear most of the responsibility for attacking social problems. But some advocates for the poor believe that people who could not otherwise afford college should be given priority in the community-service program if service slots have to be rationed.

2 Major Reports

As he develops the national-service plan, Mr. Segal will be aided by the advice of scores of youth-service advocates, plus two major reports—the national-service commission's report to Congress, released this month, and an "options paper" drafted by Mr. Clinton's transition panel.

The commission's report, "What You Can Do For Your Country," concludes that:

► It "may be feasible" to expand the number of "intensive full-time" national-service opportunities to 100,000 people within three years of passing legislation that authorizes additional federal expenditures. The total cost could be less than \$2-billion, not all of which would be paid by the federal government.

The government should require local communities to help pay for the programs' operating costs and a living allowance for young people. The commission said that would insure that the local communities "become stakeholders," insisting on high quality service."

► The government should work through a "network of diverse, locally based programs," rather than "a single federal program."

► Local youth-service organizations should compete for volunteers and federal dollars in order to "stimulate a rapid rate of learning, innovation, and improvement."

Clinton aides said they could not release their options paper, which is under consideration by President Clinton, or summarize its recommendations. But Ms. Verveer said the Administration's plans would become clear when legislation is drafted, which she said is expected to happen "fairly quickly," perhaps within the Administration's first 100 days.

Sources who are familiar with drafts of the report—which includes both options and recommendations for the President's consideration—said the recommendations include:

► Allowing young people to perform community service either before or after college.

► Permitting young people who are not college-bound to participate, as well, by giving them vouchers to support them in a job-apprenticeship program.

► Keeping national service decentralized by building on existing youth corps and other service programs while providing seed money to create new models.

► Seeking support for national-service programs from state and local governments, as well as private philanthropy.

► Giving the Commission on National and Community Service a key role in the new program. Under the proposals, it would certify youth-service programs and distribute federal dollars to participating groups.

It was unclear how Mr. Clinton is leaning on any of the proposals, including how much the government would provide in tuition vouchers or student-loan forgiveness for each year that a young person served his or her community.

Mr. Segal said he "can see non-profits and profits being asked to do far more than they have been able to do in the past." But many charities maintain that, in light of the recent recession and years of federal budget cuts, they would have difficulty paying even a partial salary to young people in the community-service program.

Cynicism vs. Idealism

In accepting the post, Mr. Segal said the end of the cold war had brought a new war, "one between cynicism and idealism."

He said in an interview that young people "are turned off by politics, but they are no longer turned off by the idea of serving."

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Mr. Segal received several million dollars from his 1986 sale of American Publishing Company, a jigsaw-puzzle marketer, according to *Business Week*. His current venture, B&P Publishing, has annual sales of about \$15-million, the magazine said.

Although he is virtually unknown in the youth-service field and has had little experience with non-profits, charity leaders said they were heartened both by his reputation as an entrepreneur and by his closeness to Mr. Clinton. They also were pleased that he had turned down, by his count, "three or four" other plum jobs in the new Administration to take the national-service post.

Don Mathis, director of the Pennsylvania Conservation Corps, said that while Mr. Segal "certainly isn't a household name among youth-service folks, except for people who use the games that his companies produce, clearly his interest in the position is important, and clearly his closeness to President Clinton is important."

"That's the single most important factor," agreed Catherine Milton, executive director of the Commission on National and Community Service.

'Tough-Minded Idealist'

Joseph Duffey, president of American University and a friend of Mr. Segal since 1968, called him "a tough-minded idealist" who in both business and politics has built teams and inspired people to do their best.

As an anti-war activist in the 1960's, Mr. Duffey said, Mr. Segal "always had a sense of wanting to be effective more than just to feel good about his activism." Mr. Segal and President Clinton became close friends while working on Mr. Duffey's unsuccessful 1970 campaign for a seat in the U.S. Senate from Connecticut.

Mr. Mathis said that "if Segal can bring some of that creative thinking by way of his managerial skills, and by virtue of his business success, and translate that to the public sector, that to me is a fair trade-off for not having 20 years of community service under his belt."

But some youth-service leaders had reservations. Roger Landrum, executive director of Youth Service America, said he was "very concerned" that Mr. Segal had no background in the area. "If a person is in a very crucial role like that and does not have the depth of understanding of the field," he said, "missteps can be made, as I think they were made in the Bush Administration, in the relationship between the government side of this and the non-profit sector."

Mr. Landrum said that he viewed the Segal appointment with

"cautious optimism" and that the Clinton aide's "world view on the field has yet to be found out."

Served on Boards

Even though he has not been involved in youth-service work, Mr. Segal has had some experience with non-profits.

He serves on the Board of Trustees of Lesley College in Cambridge, Mass., and on the Board of Directors of the International Human Rights Law Group, a Washington non-profit advocacy organization whose activities range from monitoring elections and trials of dissidents around the world, to helping emerging democracies create new constitutions.

Mr. Segal also serves as a director of the Petra Foundation, a charity

created in 1988 by John Shattuck, a Harvard University vice-president and close friend of Mr. Segal, in memory of Mr. Shattuck's late wife, a political scientist. The foundation provides grants of \$5,000 apiece to "unsung individuals who are making distinctive contributions to human freedom." Recipients have included a Brooklyn high-school teacher who helps kids stay out of gangs and the founder of a North Carolina project that urges a shift in federal spending from military to domestic programs.

Mr. Segal said that besides helping develop the National Service Trust Fund, he had not decided what he would use his office to accomplish. For example, he said he had not decided whether the Clinton

Administration would continue honoring volunteers daily as former President Bush did through his "Points of Light" program. The outgoing Administration named its final honorees last week (see Page 12).

'Galvanize' Private Support

Shortly before his appointment was announced, Mr. Segal spent several hours visiting City Year, a Boston youth-service corps that is frequently touted as a model program to be spread nationwide. Mr. Segal, who has been a donor to City Year, called the program "brilliant" in its blending of community-service philosophy and practice and said it would "be one of many alternative programs that we'll be looking to." He said he

could see both locally based corps and a national program being included in the national-service plan.

Alan Khazei, a founder of City Year who met Mr. Segal while working on the Hart campaign, said he thought that Mr. Segal's business experience would help "galvanize" support from corporations, foundations, and individuals for new service programs.

Mr. Segal said he hoped to bring to his national-service job "my understanding and love and recognition of what was great about the 60's, along with my success in understanding the principles of entrepreneurship." He added: "We are limited only by our imaginations in how we can match human needs with this incredible idealism of youth."



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Excerpts From Report by U.S. Commission on National and Community Service

WASHINGTON
Following are excerpts from the report of the Commission on National and Community Service outlining plans for a national youth service program.

ANSWERING KEY QUESTIONS

1. Why national service?

This question is at the heart of much controversy over national service. Is it primarily a means of addressing unmet social needs? Is it mainly aimed at personal development of the participants—shaping the character, self-confidence, and civic responsibility of young adults through a "rite of passage," and building skills and employability? Is it principally intended to break down the social and economic barriers that divide us as a society by bringing diverse participants together on the common ground of service to others?

It appears that in the best existing programs, the answer is "all of the above." This should not be a surprise; after all, the military has demonstrated conclusively that a single institution can serve multiple purposes such as these, very well. So what's most desirable is a fruitful combination of these goals that will end up rebuilding our nation and our communities, not of a program focused narrowly on any one or two of them.

And we would add a fourth overarching purpose: providing a means to draw volunteers together in service from all parts of the community, thus knitting the community together and reinforcing the work of more organizations in tackling critical social problems than would otherwise be possible.

While advocating a combination of "all of the above," there is much to learn about the best ways to serve each of these four purposes. Since our national service models are taking a variety of approaches to each of them, we will be observing closely to draw lessons as rapidly as we can.

2. Who would serve?

Almost all proponents of national service believe it should represent a cross-section of the American public in terms of ethnicity, economic level, gender, and the like. But there is an important debate about whether it should span the age spectrum or concentrate on young people, and even some of those who agree to focus on the young disagree about whether this means college graduates or recent high school graduates and dropouts.

In our view, the initial expansion of national service should focus mainly on youth—in and out of school—because their service would come at a formative time and thus shape their values and attitudes throughout life. National service should not, however, be exclusively for young people. Older adults have much to contribute and are already contributing in many programs around the country. In fact, intergenerational programs—as well as programs that are diverse in other ways—yield important community-building benefits. . . .

3. In what kind of program would people serve?

Some have advocated a federally operated service effort along the lines of the New Deal's Civilian Conservation Corps. But a network of diverse, locally-based programs, building on the strengths that already exist, might respond to America's great variety of needs and circumstances and to the variety of capabilities and interests of prospective volunteers better than a single federal program. It would also create a sense of ownership of national service where the service was occurring, and would build on the strengths of the country's many pre-existing service organizations, while encouraging entrepreneur-like initiative to create new ones. Competition among local service organizations for volunteers and funds could stimulate a rapid rate of learning, innovation, and improvement as well as community pride. The challenge for Congress is not to pick a single program model, but to devise a way of ensuring that programs emerge to respond to many needs and volunteers of widely varying background and interest, and that the best programs grow and spread while the worse ones improve or disappear.

Such a diverse network could include federally operated programs as well as locally owned and operated ones. VISTA and the Peace Corps could be part of this network and a new CCC and the National Guard Youth Corps, authorized by recently passed legislation, could also. In addition, we would encourage other federal agencies to consider whether youth service corps or other national service programs could help them carry out their missions more effectively.

Four aspects of program design warrant specific mention:

Leverage models: National service volunteers may be able to provide the ideas and resources to greatly strengthen other service activities. They can serve as resources and organizers in the schools, in university programs, in summer programs, and even in adult service programs. . . .

Diversity of participants: If one major purpose of national service is to build strong bonds of community among people of differing backgrounds, then the country ought to encourage individual programs to recruit people of diverse backgrounds and experiment with ways to make such diversity work. Whenever possible, rich and poor, able-bodied and disabled, black and white, Native Americans, Asian-Americans, and Hispanics should be working together. But since this is not feasible for every program, maximal diversity should not be an inflexible rule.

Team and individual placement/group identification models: At this point in the country's history, building community strikes many as especially important, and bringing people of diverse backgrounds together in common service and shared learning contributes to that end. In addition, because team and group programs take a structured approach to defining productive assignments and providing needed supervision for volunteers, there

may be less risk that their assignments will result in a low-quality service experience. For these reasons, most national service opportunities are in programs that provide some group context and structure.

However, individual placement models have some important advantages, so considerable experimentation would be useful in order to learn how best to ensure worthwhile service. Even for those that are found to work well, the creation of shared special projects and reflection seminars that involve other volunteers might be worthwhile.

Full-time and part-time: While full-time service has received primary emphasis in most discussions of national service, part-time opportunities would enable people to serve who are not able to make full-time commitments, and part-time service also opens possibilities for valuable programs linking education with service—e.g., the last year or two of high school connected with youth corps service, or part-time and summer service undertaken throughout college. Part-time models meet the needs of retired people who are looking for a way to become more connected to their communities. . . .

Even in a diverse, decentralized network, there should be ways to gain some of the benefits of participation in a common nationally recognized effort. At a minimum, all service could be done through programs that meet standards for quality of service, and all volunteers, whatever their local program affiliation, might serve under a common name. (In the recent Commission hearings, the Young People's National Service Coalition suggested AmeriCorps, and others have suggested Serve America, a term already found in the [National and Community Service] Act.) All volunteers could be eligible for awards for service "above and beyond the call of duty." (President Bush has recently established Presidential Youth Service Awards—along the lines of Presidential Physical Fitness Awards—under which honorees receive a pin, a certificate, and an invitation to recognition ceremonies.)

More substantively, all could receive some common training ingredients. . . . Training might include common core elements such as leadership development, team and community building, physical conditioning, and most importantly, citizenship. In addition, volunteers from different programs in the same area could get together for periodic weekend service projects and service learning reflection.

4. What work would volunteers do?

The four areas set out in Subtitle D of the Act—education, human services, public safety, and the environment—seem to comprise an amply broad umbrella, as the wide range of service opportunities found in our eight national service models indicates. Numerous studies suggest that there are enough useful service assignments in these areas to busy more than 3 million full-time servers. The programs al-

ready established provide a good deal of information about what work various kinds of volunteers can do well, and the eight national service tests will provide much more.

An important premise of the Act is that participants would provide needed services that would not otherwise be provided, and so they should not displace currently employed workers. Congress may want to consider whether or not the prevailing wage criteria established by the Davis-Bacon law and other federal labor standards could be modified to provide minimum exemptions for youth corps workers and other national service workers.

5. Should service be mandatory or voluntary?

We are convinced that participation in national service should be voluntary, even though we acknowledge that for diversity's sake, it would be ideal if participation is widespread, ultimately approaching universal. Participants are likely to be most committed and effective when they have made a positive decision to volunteer. By imposing a constant market test, the voluntary approach diminishes the chance that national service will become bureaucratic, outdated, or harmful to the community and the participants. It also eliminates the costs—social and political, as well as financial—associated with a draft.

We have much to learn before undertaking anything on the scale required to absorb the close to 3 million 18-year-olds in this country not presently involved in military or civilian service. We need to better understand what capacity our communities have for absorbing large numbers of people in well-structured service and what it would take to expand this capacity. We need to understand what types of programs are best suited to place these volunteers, and the impacts on their subsequent career plans. We need to demonstrate that a national service network can be worth the significant investment required by both the federal government and the local communities.

A risk of the voluntary approach is that some of the affluent may opt out. However, we believe that many of the better-off will be motivated to serve—wanting to do their patriotic duty like everyone else, and attracted by specific service opportunities or the chance for personal growth. This belief is supported in part by strong volunteer programs at several elite universities that experience 70-per-cent participation rates. . . .

6. Should full-time participants in national service receive stipends?

We recognize that most community service is done without compensation; it is performed because the volunteers involved see a community need and want to help meet it. But in our view, volunteers should receive stipends, if needed, for programs of full-time and equivalent part-time service. Volunteers must have enough to live on, or the opportunity to serve will

be available only to the wealthy. VISTA, the Peace Corps, and numerous local and private programs provide ample evidence that a modest stipend does not undermine their service ethic.

In principle, stipends need to be high enough to remove financial barriers to service. Within the bounds of this principle, we think it appropriate for different program models to provide varying stipends—and existing programs have gone a long way toward demonstrating a practical range.

With respect to post-service benefits, Congress decided that the amount provided for in Subtitle D is a good starting point: Five thousand dollars that can be used for education, training, or a first mortgage at the end of a year of full-time service. Five thousand dollars is close to the average annual cost of tuition, books, room, and board at a public college or university and is sufficient to pay off the majority of debt of most graduating seniors. Such a benefit reinforces the volunteer's appreciation for the link between the rights and responsibilities of citizenship, and strengthens the nation by investing in his or her enhanced productive capacity. (For a program such as Teach For America, in which participants are paid market-level wages, consideration should be given to not providing a post-service benefit.)

Some have advocated a percentage-loan-forgiveness approach (such as that taken by the Perkins Loan Cancellation Program and the recently authorized Higher Education Act), which enables someone with a large educational debt to pay it off at the same rate as someone with a smaller debt. This approach helps ensure that those with large student loans will still consider the option of service. But a fixed sum has several advantages. It promotes equality among volunteers. It is more readily applicable to volunteers who earn the benefit in advance of their education. And it makes cost projection simpler and more reliable.

7. How would national service be funded?

Since national service may prove to serve both the national interest and provide direct benefits at the local level, the Act created a funding partnership between the federal government and the state or local community in which the service takes place. Furthermore, requiring that some funds come from local communities would ensure that they would become stakeholders, insisting on high quality service. We are impressed by the arguments of those who advocate that some share of the funds should come from the private sector, in order to encourage the kind of initiative and accountability that private institutions foster.

To make this work, the match must be set at a level that does not hinder the state or community's ability to expand the program to appropriate scale. As an example for discussion, for non-federally operated programs the federal government might provide 50-per-cent matching grants for stipends and other program costs such as train-

ing and supervision, and 100 percent of the post-service benefit. This approach could capture the principle of a federal-local partnership, and that of a federal investment in the future productivity of a volunteer who has served the nation. Consideration might be given to providing federally-funded health coverage and other benefits such as day care.

On the assumption of 50-percent matching grants, the total cost for a network with 100,000 participants would be in the range of \$2-billion, although with the matching requirements, the federal cost would be substantially less.

Not all of this cost would be new money. The commission is already spending \$45-million on programs that would be a part of national service. In addition the government already spends over \$250-million on federally operated service programs. And the Congress has authorized another \$84-million in Defense appropriations for a new CCC, a National Guard Youth Corps, and funding for additional Commission programs. What's more, the Urban Revitalization Demonstration Program authorized in the fiscal year 1993 HUD Appropriations Act commits some portion of a \$60-million fund to relevant programs. College work-study funds could also help fund some of the part-time programs.

MANAGING EXPANSION SUCCESSFULLY

The feasibility of expansion depends critically on the capacity of established organizations and mechanisms to handle increasing work while maintaining high-quality performance, and the rate at which new programs and organizations can develop. It also depends on the willingness of private sources of funding, as well as state and local governments, to participate in funding the expansion. Our observation of current programs and our analysis of the main challenges lead us to believe that it would be feasible to expand the number of national service opportunities to approximately 100,000 within a few years, perhaps as little as three years after the necessary financial commitments are determined and written into law.

The rate of subsequent expansion would depend greatly on what was learned during this initial period. But in broad terms, a total size approximating the scale of the CCC in the 1930's—which attained a maximum of about 500,000 participants per year—might be feasible.

In order to achieve such expansion successfully, at least four key challenges would have to be met:

1. Leadership development

Leadership at all levels is clearly a major determinant of the quality of service in any program. Whether it is the crew leader in a youth corps, or the regional director in a Teach For America program, or the campus volunteer coordinator, it is the individual leaders who make or break the service experience. That's why service leadership would need to become a profession in the same way that teaching and coaching are. Attractive career paths would be needed to retain good people in the field, and specialized training will have to be

developed to meet the needs of the different types of programs. Increased salaries and basic benefits will need to be provided for key leadership positions such as corps crew leaders.

At the beginning of a period of expansion, special efforts will be required to expand the pool of qualified leaders. A network of 100,000 participants could require up to 20,000 service leaders at all levels. (Currently there may be approximately 5,000 service leaders.) Established service programs, colleges and universities, leadership training institutes, the military—all could contribute to reaching this level.

2. Program development

During a period of expansion, es-

tablished programs would have to increase their capacity while maintaining quality.

This poses numerous interconnected challenges: Expanding qualified staff as rapidly as volunteers, developing satisfactory service assignments with a growing number of other institutions, recruiting more well-qualified volunteers with the right mix of backgrounds and training them adequately, raising increasing state, local, and private funds required to match any federal funds being provided, establishing the administrative processes capable of handling increasing volumes of activity.

New programs would also have to be established. Both new and established programs would have to

learn from experience, and from the results of evaluation being done for the Commission as well as past research and experience. All of this will require not only strong program leadership but also reliable and growing technical assistance resources and other kinds of outside help.

3. Training and support

Training of service leaders is only one component of the required training needs. Training and support will also be needed for the participants in the programs as well as for the supervisors in the agencies and community organizations where the participants will be serving. Many community organizations can help in this effort, while others would themselves need sub-

stantial help in preparing for the influx of new servers. The nation's network of Volunteer Centers could make a major contribution in this regard.

4. Network coordination

Even though the main action would be at the local level, both state-level and national-level leadership and coordination would help support the growth of a national and community service network. The Commission is glad to accept this challenge.

All of this is daunting. But baseline capacity exists at this point to build on, if Congress makes the decision to expand national service. The challenge then would be to make maximum use of available resources while generating more.

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National Service Gains Momentum

Longtime Clinton friend named to develop high-priority program, but budget woes will keep it lean, with much expected of charities

By KRISTIN A. GOSS

WASHINGTON

PRESIDENT CLINTON'S PLAN to make youth service a cornerstone of his Administration is fast gaining momentum:

► The President has named a top campaign official and longtime friend to spearhead the effort. Several other high-ranking White House aides have strong backgrounds or interest in national service.

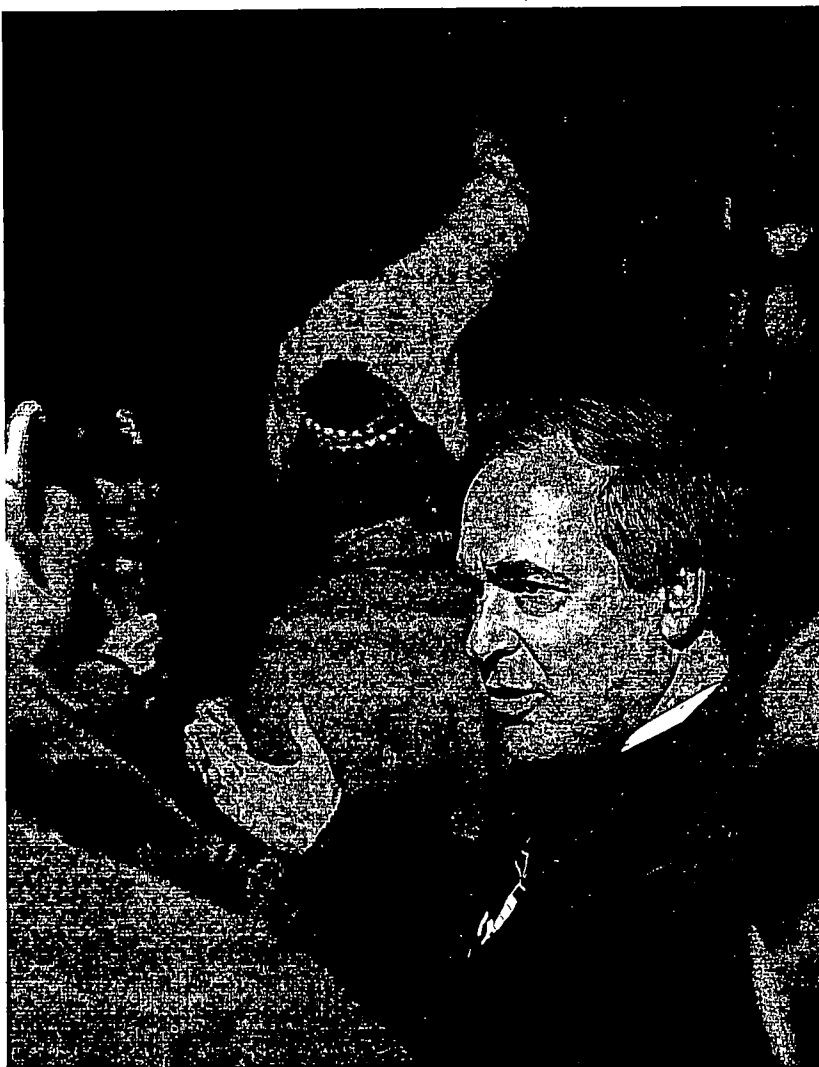
► Two new reports, one by a national commission and another by the President's staff, have proposed ways to create a youth-service program. The reports, as well as Clinton aides, make it clear that non-profits should play a key role in developing the program but that charities will also be asked to help pay for it.

► Mr. Clinton emphasized the importance of community service in his inaugural address last week, challenging people both young and old to "care for one another."

At the same time, White House aides now admit that the federal budget crisis could make the program far more modest than Mr. Clinton suggested on the campaign trail.

The President appointed Eli J. Segal, a Boston

Continued on Page 8



Eli J. Segal, President Clinton's national-service chief, helping turn an abandoned theater into a "youth think tank" last week: "I will be prepared to move on a step-by-step basis to make sure that we are ready to do things that the American people will take delight in, not just accept."

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What Next in Somalia?

Relief workers continue to provide food and other help to famine-stricken Somalis (right), but now charities are debating how long they should continue to operate feeding centers there. Story on Page 6.

Selling Charity on Television

An increasing number of charities are using program-length television "infomercials" to raise money. Many say the technique brings in substantial donations, but others say it costs too much. Story on Page 27.



A complete guide to this issue appears on Page 3.

**PHOTOCOPY
PRESERVATION**

National-Service Proposal Gains Momentum From White House Appointment

Continued from Page 1

businessman who was chief of staff in the campaign and has known Mr. Clinton since 1969, to be Assistant to the President and director of the White House Office of National Service.

He will be charged with developing and winning Congressional passage of the proposed National Service Trust Fund, through which young people could receive educational or other benefits in exchange for spending two years doing conservation, social service, or other civic-minded work in their community. Shortly after his election, Mr. Clinton called the trust fund one of his top five priorities.

In accepting the post, Mr. Segal—publisher of *Games* magazine and owner of Bits & Pieces, a mail-order game and puzzle company—acknowledged that the plan had to be developed in light of "fiscal realities." He said in an interview that he expected the program to start small and outlined several ways in which it could remain lean.

Among them:

- It is likely to be implemented "without building a massive new bureaucracy in Washington."

- The federal government should encourage competition among participating youth-service programs by providing "seed grants" and "picking and betting on winners the same way venture-capital firms do all over the United States."

- The Administration will ask state and local governments, corporations, and non-profits to share the costs of supporting young people in community-service jobs.

Mr. Segal promised to make service the "abiding ethic of our people." The Administration, he said, "would use the White House as a bully pulpit to make the case for service, and do it by being strategic and by being entrepreneurial as we explore alternative ways of empowering kids to do good."

But Mr. Segal said that youth-service advocates should not expect the program to be "enormously large" right away.

"I think it makes sense politically—in this environment of budget deficits—and it also makes sense in terms of ordinary management: Let's not overpromise. Let's build something we can be proud of day by day," Mr. Segal said.

Though Mr. Segal by his own admission has had little experience in community service, youth advocates and Clinton aides said that the businessman's closeness to the President and appointment to a top White House post meant that national service would stay high on the Administration's agenda. Another sign of momentum: President Clinton has named three people with a keen interest and background in national service to senior White House positions. They are:

- William A. Galston, deputy assistant to the President for domestic policy. Mr. Galston, a professor at the University of Maryland's School of Public Affairs, led the "cluster group" that drafted a paper during the transition outlining various ways in which the national-service trust could be structured.

- Shirley Sagawa, special assistant to the President for domestic policy. Ms. Sagawa, who will report to Hillary Clinton, is a public-interest lawyer and former Senate aide who helped draft the National and Community Service Act of 1990. She serves as vice-chairman of the Commission on National and Community Service, which was created under the act to distribute tens of millions of federal dollars to service programs.

- Melanne Verveer, deputy assistant to the President and deputy chief of staff for Mrs. Clinton. Ms. Verveer, a former executive vice-president at People for the American Way and a college classmate of Bill Clinton, was a member of the national-service cluster group during the transition. She said she would work on "coordinating issues" for Mrs. Clinton. (Another non-profit official, Margaret Williams, formerly director of communications at the Children's Defense Fund, will serve as Mrs. Clinton's chief of staff.)

The latest round of appointments "demonstrates that national service is going to be a top-priority issue," Ms. Verveer said. "It's not going to be an issue that falls through the cracks."

Robert Reich, Mr. Clinton's nominee to be the Secretary of Labor, called Mr. Segal "one of Bill Clinton's best friends" and said, "It's a testament to how important Bill Clinton feels about [national service] that he's asked Eli Segal to take this on."

In Inaugural Address

Mr. Clinton reaffirmed his interest in a national-service plan last week in his inaugural address.

"I challenge a new generation of young Americans to a season of service—to act on your idealism by helping troubled children, keeping

- Excerpts from national-service report: Page 10.
- Bush aides prepare to move to the non-profit world: Page 12.
- Bush names final Points of Light: Page 12.

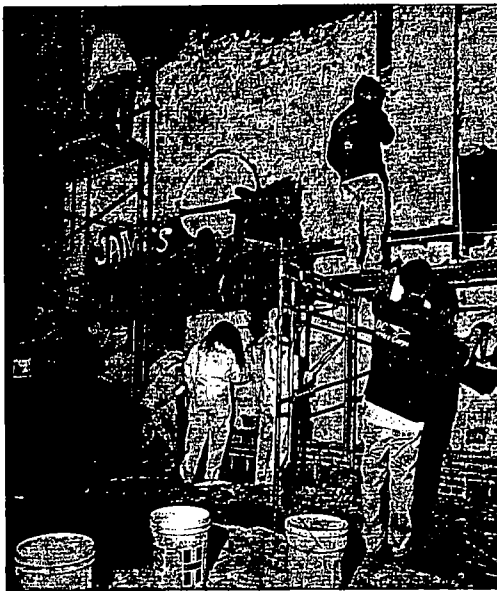
company with those in need, reconnecting our torn communities," the President said.

And he asked "others who are still young in spirit to give of themselves in service, too."

"In serving, we recognize a simple but powerful truth: We need each other. And we must care for one another."

Mr. Segal, who described himself as a product of the 60's, said the country was witnessing a revival of civic spirit among young people that he believed was lost in subsequent decades. He said his job would be to help the federal government tap that idealism, while avoiding the mistakes that led to the failure of some of the big social programs of the past.

"I think the intentions were great in the 60's and 70's in a lot of programs, but because the intentions were ahead of the performance evaluations, it didn't work," Mr. Segal said. "I will be prepared



Youth leaders last week renovated an old theater in Washington so they would have a central place to craft ideas to spur volunteerism.

to move on a step-by-step basis to make sure that we are ready to do things that the American people will take delight in, not just accept."

He added: "I think that designing programs which do not affect existing jobs, and are not make-work on the other hand, is as hard a thing to do as we go forward as finding the resources in this time of budgetary shortfall."

During the campaign, aides said the program could cost about \$7.5-billion a year and put several hundred thousand young people to work in charities, youth corps, schools, and other organizations.

But Ms. Verveer said that lofty projection might have to be scaled back in yet-unspecified ways. "I think budgetary considerations are going to loom large," she said.

Mr. Segal said the new Administration did not know how much the new program would cost in its first year, or how many young people could participate.

The Commission on National and Community Service estimates that keeping a young person in community service for two years costs \$32,000 to \$40,000, including tuition vouchers, a living allowance, and expenditures for operating the program. Critics of big government, including C. Gregg Petersmeyer, director of President Bush's White House Office of National Service, have questioned whether the government can afford Mr. Clinton's national-service plan.

Countered Mr. Segal: "I say it's too expensive not to do national service."

Among the questions Mr. Segal will have to confront: If budget concerns mean that community service will not be an option for everybody, how will the government decide who gets to participate and who must pay back college loans as a portion of their income?

Most youth-service advocates believe that community service will most benefit the nation if people of all races and classes participate, and that poor kids should not bear most of the responsibility for attacking social problems. But some advocates for the poor believe that people who could not otherwise afford college should be given priority in the community-service program if service slots have to be rationed.

2 Major Reports

As he develops the national-service plan, Mr. Segal will be aided by the advice of scores of youth-service advocates, plus two major reports—the national-service commission's report to Congress, released this month, and an "options paper" drafted by Mr. Clinton's transition panel.

The commission's report, "What You Can Do For Your Country," concludes that:

- It "may be feasible" to expand the number of "intensive full-time" national-service opportunities to 100,000 people within three years of passing legislation that authorizes additional federal expenditures. The total cost could be less than \$2-billion, not all of which would be paid by the federal government.

The government should require local communities to help pay for the programs' operating costs and a living allowance for young people. The commission said that would insure that the local communities "become stakeholders, insisting on high quality service."

- The government should work through a "network of diverse, locally based programs," rather than "a single federal program."

- Local youth-service organizations should compete for volunteers and federal dollars in order to "stimulate a rapid rate of learning, innovation, and improvement."

Clinton aides said they could not release their options paper, which is under consideration by President Clinton, or summarize its recommendations. But Ms. Verveer said the Administration's plans would become clear when legislation is drafted, which she said is expected to happen "fairly quickly," perhaps within the Administration's first 100 days.

Sources who are familiar with drafts of the report—which includes both options and recommendations for the President's consideration—said the recommendations include:

- Allowing young people to perform community service either before or after college.

- Permitting young people who are not college-bound to participate, as well, by giving them vouchers to support them in a job-apprenticeship program.

- Keeping national service decentralized by building on existing youth corps and other service programs while providing seed money to create new models.

- Seeking support for national-service programs from state and local governments, as well as private philanthropy.

- Giving the Commission on National and Community Service a key role in the new program. Under the proposals, it would certify youth-service programs and distribute federal dollars to participating groups.

It was unclear how Mr. Clinton is leaning on any of the proposals, including how much the government would provide in tuition vouchers or student-loan forgiveness for each year that a young person served his or her community.

Mr. Segal said he "can see non-profits and profits being asked to do far more than they have been able to do in the past." But many charities maintain that, in light of the recent recession and years of federal budget cuts, they would have difficulty paying even a partial salary to young people in the community-service program.

Cynicism vs. Idealism

In accepting the post, Mr. Segal said the end of the cold war had brought a new war, "one between cynicism and idealism."

He said in an interview that young people "are turned off by politics, but they are no longer turned off by the idea of serving."

Last week, just before the inauguration, Mr. Segal traveled to an abandoned theater in Washington's northeast section to help scores of young people convert the old building into a "youth think tank." The youth leaders, who call themselves the National Service Project, will use the renovated space to develop ways to influence the Administration's national-service plans. Sponsors included Public Allies, which places young people in non-profit "apprenticeships"; Rock the Vote, a music-industry group that encourages young people to cast their ballots; and Youth Service America, a Washington-based advocacy and technical-assistance organization.

Mr. Segal, who turned 50 this month, said his interest in commu-

nity service was rooted in his political activities, including extensive work on the Presidential campaigns of Eugene McCarthy in 1968, George McGovern in 1972, and Gary Hart in 1987.

"I wish I could say that I've done more community service over the recent years," he said. "I have not. I really have been involved in building businesses. My community service has essentially been to view politics as the vehicle for change."

Mr. Segal received several million dollars from his 1986 sale of American Publishing Company, a jigsaw-puzzle marketer, according to *Business Week*. His current venture, *MAP Publishing*, has annual sales of about \$15-million, the magazine said.

Although he is virtually unknown in the youth-service field and has had little experience with non-profits, charity leaders said they were heartened both by his reputation as an entrepreneur and by his closeness to Mr. Clinton. They also were pleased that he had turned down, by his count, "three or four" other plum jobs in the new Administration to take the national-service post.

Don Mathis, director of the Pennsylvania Conservation Corps, said that while Mr. Segal "certainly isn't a household name among youth-service folks, except for people who use the games that his companies produce, clearly his interest in the position is important, and clearly his closeness to President Clinton is important."

"That's the single most important factor," agreed Catherine Milton, executive director of the Commission on National and Community Service.

'Tough-Minded Idealist'

Joseph Duffey, president of American University and a friend of Mr. Segal since 1968, called him "a tough-minded idealist" who in both business and politics has built teams and inspired people to do their best.

As an anti-war activist in the 1960's, Mr. Duffey said, Mr. Segal "always had a sense of wanting to be effective more than just to feel good about his activism." Mr. Segal and President Clinton became close friends while working on Mr. Duffey's unsuccessful 1970 campaign for a seat in the U.S. Senate from Connecticut.

Mr. Mathis said that "if Segal can bring some of that creative thinking by way of his managerial skills, and by virtue of his business success, and translate that to the public sector, that to me is a fair trade-off for not having 20 years of community service under his belt."

But some youth-service leaders had reservations. Roger Landrum, executive director of Youth Service America, said he was "very concerned" that Mr. Segal had no background in the area. "If a person is in a very crucial role like that and does not have the depth of understanding of the field," he said, "missteps can be made, as I think they were made in the Bush Administration, in the relationship between the government side of this and the non-profit sector."

Mr. Landrum said that he viewed the Segal appointment with

"cautious optimism" and that the Clinton aide's "world view on the field has yet to be found out."

Served on Boards

Even though he has not been involved in youth-service work, Mr. Segal has had some experience with non-profits.

He serves on the Board of Trustees of Lesley College in Cambridge, Mass., and on the Board of Directors of the International Human Rights Law Group, a Washington non-profit advocacy organization whose activities range from monitoring elections and trials of dissidents around the world, to helping emerging democracies create new constitutions.

Mr. Segal also serves as a director of the Petra Foundation, a char-

ity created in 1988 by John Shattuck, a Harvard University vice-president and close friend of Mr. Segal, in memory of Mr. Shattuck's late wife, a political scientist. The foundation provides grants of \$5,000 apiece to "unsung individuals who are making distinctive contributions to human freedom." Recipients have included a Brooklyn high-school teacher who helps kids stay out of gangs and the founder of a North Carolina project that urges a shift in federal spending from military to domestic programs.

Mr. Segal said that besides helping develop the National Service Trust Fund, he had not decided what he would use his office to accomplish. For example, he said he had not decided whether the Clin-

ton Administration would continue honoring volunteers daily as former President Bush did through his "Points of Light" program. The outgoing Administration named its final honorees last week (see Page 12).

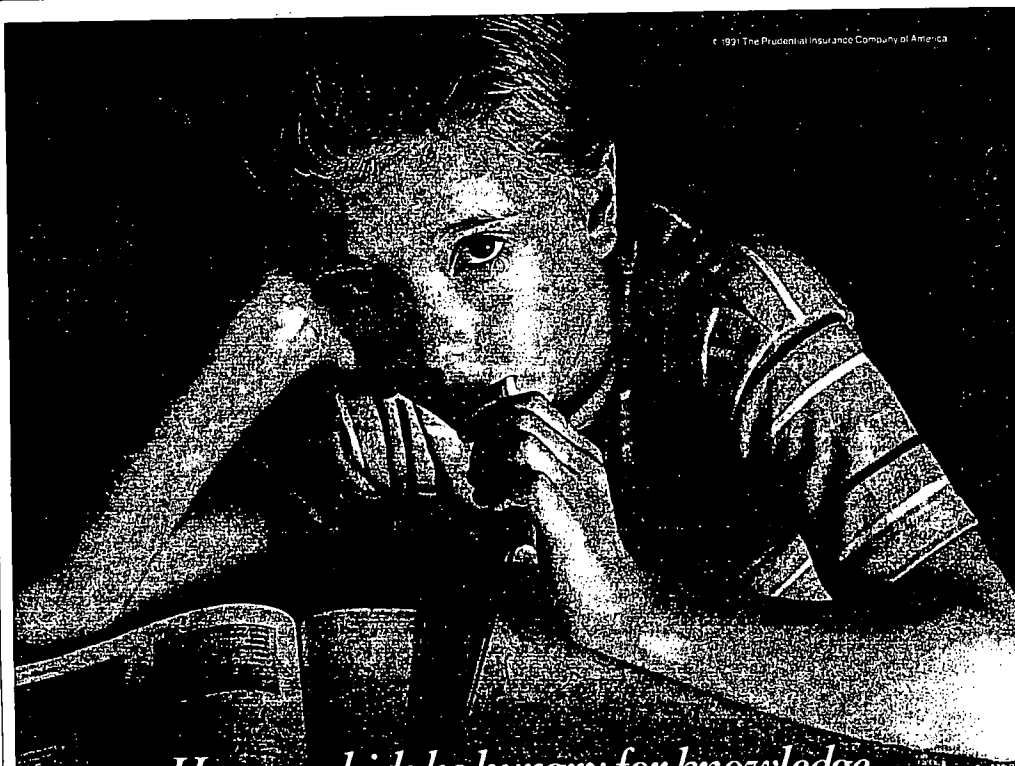
'Galvanize' Private Support

Shortly before his appointment was announced, Mr. Segal spent several hours visiting City Year, a Boston youth-service corps that is frequently touted as a model program to be spread nationwide. Mr. Segal, who has been a donor to City Year, called the program "brilliant" in its blending of community-service philosophy and practice and said it would "be one of many alternative programs that we'll be looking to." He said he

could see both locally based corps and a national program being included in the national-service plan.

Alan Khazai, a founder of City Year who met Mr. Segal while working on the Hart campaign, said he thought that Mr. Segal's business experience would help "galvanize" support from corporations, foundations, and individuals for new service programs.

Mr. Segal said he hoped to bring to his national-service job "my understanding and love and recognition of what was great about the 60's, along with my success in understanding the principles of entrepreneurship." He added: "We are limited only by our imaginations in how we can match human needs with this incredible idealism of youth."



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Excerpts From Report by U.S. Commission on National and Community Service

WASHINGTON

Following are excerpts from the report of the Commission on National and Community Service outlining plans for a national youth-service program.

ANSWERING KEY QUESTIONS

1. Why national service?

This question is at the heart of much controversy over national service. Is it primarily a means of addressing unmet social needs? Is it mainly aimed at personal development of the participants—shaping the character, self-confidence, and civic responsibility of young adults through a "rite of passage," and building skills and employability? Is it principally intended to break down the social and economic barriers that divide us as a society by bringing diverse participants together on the common ground of service to others?

It appears that in the best existing programs, the answer is "all of the above." This should not be a surprise; after all, the military has demonstrated conclusively that a single institution can serve multiple purposes such as these very well. So what's most desirable is a fruitful combination of these goals that will end up rebuilding our nation and our communities, not of a program focused narrowly on any one or two of them.

And we would add a fourth overarching purpose: providing a means to draw volunteers together in service from all parts of the community, thus knitting the community together and reinforcing the work of more organizations in tackling critical social problems than would otherwise be possible.

While advocating a combination of "all of the above," there is much to learn about the best ways to serve each of these four purposes. Since our national service models are taking a variety of approaches to each of them, we will be observing closely to draw lessons as rapidly as we can.

2. Who would serve?

Almost all proponents of national service believe it should represent a cross-section of the American public in terms of ethnicity, economic level, gender, and the like. But there is an important debate about whether it should span the age spectrum or concentrate on young people, and even some of those who agree to focus on the young disagree about whether this means college graduates or recent high school graduates and drop-outs.

In our view, the initial expansion of national service should focus mainly on youth—in and out of school—because their service would come at a formative time and thus shape their values and attitudes throughout life. National service should not, however, be exclusively for young people. Older adults have much to contribute and are already contributing in many programs around the country. In fact, intergenerational programs—as well as programs that are diverse in other ways—yield important community-building benefits.

3. In what kind of program would people serve?

Some have advocated a federally operated service effort along the lines of the New Deal's Civilian Conservation Corps. But a network of diverse, locally-based programs, building on the strengths that already exist, might respond to America's great variety of needs and circumstances and to the variety of capabilities and interests of prospective volunteers better than a single federal program. It would also create a sense of ownership of national service where the service was occurring, and would build on the strengths of the country's many pre-existing service organizations, while encouraging entrepreneurial initiative to create new ones. Competition among local service organizations for volunteers and funds could stimulate a rapid rate of learning, innovation, and improvement as well as community pride. The challenge for Congress is not to pick a single program model, but to devise a way of ensuring that programs emerge to respond to many needs and volunteers of widely varying background and interest, and that the best programs grow and spread while the worse ones improve or disappear.

Such a diverse network could include federally operated programs as well as locally owned and operated ones. VISTA and the Peace Corps could be part of this network and a new CCC and the National Guard Youth Corps, authorized by recently passed legislation, could also. In addition, we would encourage other federal agencies to consider whether youth service corps or other national service programs could help them carry out their missions more effectively.

Four aspects of program design warrant specific mention:

Leverage models: National service volunteers may be able to provide the ideas and resources to greatly strengthen other service activities. They can serve as resources and organizers in the schools, in university programs, in summer programs, and even in adult service programs.

Diversity of participants: If one major purpose of national service is to build strong bonds of community among people of differing backgrounds, then the country ought to encourage individual programs to recruit people of diverse backgrounds and experiment with ways to make such diversity work. Whenever possible, rich and poor, able-bodied and disabled, black and white, Native Americans, Asian-Americans, and Hispanics should be working together. But since this is not feasible for every program, maximal diversity should not be an inflexible rule.

Team and individual placement/group identification models: At this point in the country's history, building community strikes many as especially important, and bringing people of diverse backgrounds together in common service and shared learning contributes to that end. In addition, because team and group programs take a structured approach to defining productive assignments and providing needed supervision for volunteers, there

may be less risk that their assignments will result in a low-quality service experience. For these reasons, most national service opportunities are in programs that provide some group context and structure.

However, individual placement models have some important advantages. So considerable experimentation would be useful in order to learn how best to ensure worthwhile service. Even for those that are found to work well, the creation of shared special projects and reflection seminars that involve other volunteers might be worthwhile.

Full-time and part-time: While full-time service has received primary emphasis in most discussions of national service, part-time opportunities would enable people to serve who are not able to make full-time commitments, and part-time service also opens possibilities for valuable programs linking education with service—e.g., the last year or two of high school connected with youth corps service, or part-time and summer service undertaken throughout college. Part-time models meet the needs of retired people who are looking for a way to become more connected to their communities.

Even in a diverse, decentralized network, there should be ways to gain some of the benefits of participation in a common nationally recognized effort. At a minimum, all service could be done through programs that meet standards for quality of service, and all volunteers, whatever their local program affiliation, might serve under a common name. (In the recent Commission hearings, the Young People's National Service Coalition suggested AmeriCorps, and others have suggested Serve America, a term already found in the [National and Community Service] Act.) All volunteers could be eligible for awards for service "above and beyond the call of duty." (President Bush has recently established Presidential Youth Service Awards—along the lines of Presidential Physical Fitness Awards—under which honorees receive a pin, a certificate, and an invitation to recognition ceremonies.)

More substantively, all could receive some common training ingredients. . . . Training might include common core elements such as leadership development, team and community building, physical conditioning, and most importantly, citizenship. In addition, volunteers from different programs in the same area could get together for periodic weekend service projects and service learning reflection.

4. What work would volunteers do?

The four areas set out in Subtitle D of the Act—education, human services, public safety, and the environment—seem to comprise an amply broad umbrella, as the wide range of service opportunities found in our eight national service models indicates. Numerous studies suggest that there are enough useful service assignments in these areas to busy more than 3 million full-time servers. The programs al-

ready established provide a good deal of information about what work various kinds of volunteers can do well, and the eight national service tests will provide much more.

An important premise of the Act is that participants would provide needed services that would not otherwise be provided, and so they should not displace currently employed workers. Congress may want to consider whether or not the prevailing wage criteria established by the Davis-Bacon law and other federal labor standards could be modified to provide minimum exemptions for youth corps workers and other national service workers.

5. Should service be mandatory or voluntary?

We are convinced that participation in national service should be voluntary, even though we acknowledge that for diversity's sake, it would be ideal if participation is widespread, ultimately approaching universal. Participants are likely to be most committed and effective when they have made a positive decision to volunteer. By imposing a constant market test, the voluntary approach diminishes the chance that national service will become bureaucratic, outdated, or harmful to the community and the participants. It also eliminates the costs—social and political, as well as financial—associated with a draft.

We have much to learn before undertaking anything on the scale required to absorb the close to 3 million 18-year-olds in this country not presently involved in military or civilian service. We need to better understand what capacity our communities have for absorbing large numbers of people in well-structured service and what it would take to expand this capacity. We need to understand what types of programs are best suited to place these volunteers, and the impacts on their subsequent career plans. We need to demonstrate that a national service network can be worth the significant investment required by both the federal government and the local communities.

A risk of the voluntary approach is that some of the affluent may opt out. However, we believe that many of the better-off will be motivated to serve—wanting to do their patriotic duty like everyone else, and attracted by specific service opportunities or the chance for personal growth. This belief is supported in part by strong volunteer programs at several elite universities that experience 70-per-cent participation rates.

6. Should full-time participants in national service receive stipends?

We recognize that most community service is done without compensation; it is performed because the volunteers involved see a community need and want to help meet it. But in our view, volunteers should receive stipends, if needed, for programs of full-time and equivalent part-time service. Volunteers must have enough to live on, or the opportunity to serve will

be available only to the wealthy. VISTA, the Peace Corps, and numerous local and private programs provide ample evidence that a modest stipend does not undermine their service ethic.

In principle, stipends need to be high enough to remove financial barriers to service. Within the bounds of this principle, we think it appropriate for different program models to provide varying stipends—and existing programs have gone a long way toward demonstrating a practical range.

With respect to post-service benefits, Congress decided that the amount provided for in Subtitle D is a good starting point: Five thousand dollars that can be used for education, training, or a first mortgage at the end of a year of full-time service. Five thousand dollars is close to the average annual cost of tuition, books, room, and board at a public college or university and is sufficient to pay off the majority of debt of most graduating seniors. Such a benefit reinforces the volunteer's appreciation for the link between the rights and responsibilities of citizenship, and strengthens the nation by investing in his or her enhanced productive capacity. (For a program such as Teach For America, in which participants are paid market-level wages; consideration should be given to not providing a post-service benefit.)

Some have advocated a percentage-loan-forgiveness approach (such as that taken by the Perkins Loan Cancellation Program and the recently authorized Higher Education Act), which enables someone with a large educational debt to pay it off at the same rate as someone with a smaller debt. This approach helps ensure that those with large student loans will still consider the option of service. But a fixed sum has several advantages. It promotes equality among volunteers. It is more readily applicable to volunteers who earn the benefit in advance of their education. And it makes cost projection simpler and more reliable.

7. How would national service be funded?

Since national service may prove to serve both the national interest and provide direct benefits at the local level, the Act created a funding partnership between the federal government and the state or local community in which the service takes place. Furthermore, requiring that some funds come from local communities would ensure that they would become stakeholders, insisting on high quality service. We are impressed by the arguments of those who advocate that some share of the funds should come from the private sector, in order to encourage the kind of initiative and accountability that private institutions foster.

To make this work, the match must be set at a level that does not hinder the state or community's ability to expand the program to appropriate scale. As an example for discussion, for non-federally operated programs the federal government might provide 50-per-cent matching grants for stipends and other program costs such as train-

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PRESERVATION

ing and supervision, and 100 per cent of the post-service benefit. This approach could capture the principle of a federal-local partnership, and that of a federal investment in the future productivity of a volunteer who has served the nation. Consideration might be given to providing federally-funded health coverage and other benefits such as day care.

On the assumption of 50-percent matching grants, the total cost for a network with 100,000 participants would be in the range of \$2-billion, although with the matching requirements, the federal cost would be substantially less.

Not all of this cost would be new money. The commission is already spending \$45-million on programs that would be a part of national service. In addition the government already spends over \$250-million on federally operated service programs. And the Congress has authorized another \$84-million in Defense appropriations for a new CCC, a National Guard Youth Corps, and funding for additional Commission programs. What's more, the Urban Revitalization Demonstration Program authorized in the fiscal year 1993 HUD Appropriations Act commits some portion of a \$60-million fund to relevant programs. College work-study funds could also help fund some of the part-time programs.

MANAGING EXPANSION SUCCESSFULLY

The feasibility of expansion depends critically on the capacity of established organizations and mechanisms to handle increasing work while maintaining high-quality performance, and the rate at which new programs and organizations can develop. It also depends on the willingness of private sources of funding, as well as state and local governments, to participate in funding the expansion. Our observation of current programs and our analysis of the main challenges lead us to believe that it would be feasible to expand the number of national service opportunities to approximately 100,000 within a few years, perhaps as little as three years after the necessary financial commitments are determined and written into law.

The rate of subsequent expansion would depend greatly on what was learned during this initial period. But in broad terms, a total size approximating the scale of the CCC in the 1930's—which attained a maximum of about 500,000 participants per year—might be feasible.

In order to achieve such expansion successfully, at least four key challenges would have to be met:

1. Leadership development

Leadership at all levels is clearly a major determinant of the quality of service in any program. Whether it is the crew leader in a youth corps, or the regional director in a Teach For America program, or the campus volunteer coordinator, it is the individual leaders who make or break the service experience. That's why service leadership would need to become a profession in the same way that teaching and coaching are. Attractive career paths would be needed to retain good people in the field, and specialized training will have to be

developed to meet the needs of the different types of programs. Increased salaries and basic benefits will need to be provided for key leadership positions such as corps crew leaders.

At the beginning of a period of expansion, special efforts will be required to expand the pool of qualified leaders. A network of 100,000 participants could require up to 20,000 service leaders at all levels. (Currently there may be approximately 5,000 service leaders.) Established service programs, colleges and universities, leadership training institutes, the military—all could contribute to reaching this level.

2. Program development

During a period of expansion, es-

tablished programs would have to increase their capacity while maintaining quality.

This poses numerous interconnected challenges: Expanding qualified staff as rapidly as volunteers, developing satisfactory service assignments with a growing number of other institutions, recruiting more well-qualified volunteers with the right mix of backgrounds and training them adequately, raising increasing state, local, and private funds required to match any federal funds being provided, establishing the administrative processes capable of handling increasing volumes of activity.

New programs would also have to be established. Both new and established programs would have to

learn from experience, and from the results of evaluation being done for the Commission as well as past research and experience. All of this will require not only strong program leadership but also reliable and growing technical assistance resources and other kinds of outside help.

3. Training and support

Training of service leaders is only one component of the required training needs. Training and support will also be needed for the participants in the programs as well as for the supervisors in the agencies and community organizations where the participants will be serving. Many community organizations can help in this effort, while others would themselves need sub-

stantial help in preparing for the influx of new servers. The nation's network of Volunteer Centers could make a major contribution in this regard.

4. Network coordination

Even though the main action would be at the local level, both state-level and national-level leadership and coordination would help support the growth of a national and community service network. The Commission is glad to accept this challenge.

All of this is daunting. But baseline capacity exists at this point to build on, if Congress makes the decision to expand national service. The challenge then would be to make maximum use of available resources while generating more.

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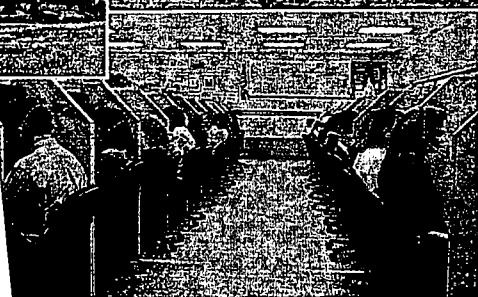
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