

Business, Philanthropy and Higher Education

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AT&T is conspicuous by its presence in support of the post-secondary education of youth especially those of diverse backgrounds. Much, though certainly not all, of this support is provided through grants to Historically Black Colleges and Universities (HBCUs), majority colleges and universities and to the United Negro College Fund. AT&T supports HBCUs for reasons not dissimilar to those of other donors. Before I describe them, let me place our philanthropy and support for higher education in a broader context framed by the unique role played by corporate philanthropy and the special niche AT&T has tried to carve among corporate donors. Let me begin my remarks by providing a snapshot of philanthropy within contemporary society. Then, I will describe a style of philanthropy practiced by an increasing number of corporate grantmakers. Called "strategic philanthropy," it ties corporate giving closely to business strategy. I'll present AT&T's strategic approach, then close by describing AT&T's commitment to post-secondary education with a focus on our support of HBCUs.

Philanthropy and Contemporary Society. Waldemar A. Nelson in his landmark book on philanthropy, *The Golden Donors* (1985), provides an excellent introduction to the world of grantmaking. Let me share some of the highlights with you. This nation has created something unseen in other nations—aggregations of private wealth devoted to public purposes. No other nation in the world has motivated wealthy individuals and insti-

tutions to create philanthropic entities of the scope and reach of those in the United States. No other has encouraged their creation then given them such freedom to play such a significant role in the nation's life. Private foundations are subject to their own external pressures and controls, but to their own largely self-imposed rules not by market forces, electoral constituencies, membership, or even formally established rules of conduct. These freedoms give them their extraordinary flexibility and potential influence.

Foundation executives have regular contact with leading individuals from academia, science, medicine, the arts and charitable agencies of all kinds. The world of philanthropy is a marketplace where information about trends, problems and emerging ideas in the vast nonprofit sector of society is exchanged. Foundation executives are uniquely equipped to assemble the expertise needed to deal with major and complex issues of public policy.

In the United States, corporations have had a long history as contributors to public issues and concerns. In fact, modern corporate philanthropy grows out of the same tradition of benevolence practiced by the wealthy individuals in early agrarian and industrial capitalism. Corporations have traditionally given because they believe it is in their self-interest to do so. In fact, narrow definitions of self-interest contributed to the development of corporate philanthropy in its early years.

By 1921, the Internal Revenue Service had accepted the idea that business donations to charitable, medical or educational institutions were legitimate if the institutions served the needs of the firm's employees. The prevailing notion was that corporate philanthropy could be justified only where direct benefit to the company could be demonstrated.

A series of legal cases and the evolution of thinking helped corporate philanthropy shift from a practice of valued self-interest to almost a condition of public responsibility. Corporations soon had the same obligation of good citizenship as ordinary citizens. By the 1960s, under pressure to demonstrate their social responsibility, most U. S. companies had established their own in-house foundations. Soon, giving away up to 5% of pre-tax income had become industry's way of holding up its end of a social compact.

Corporate philanthropy has evolved considerably since the 1960s. Now in the 1990s, a volatile marketplace is transforming corporate America and the management of corporate philanthropy. Mergers and acquisitions, globalization, falling profits and layoffs are forcing many corporations to

cut back significantly or end completely their giving. Moreover, a change in thinking about the relationship between philanthropic goals and the corporation's business objectives has taken place. Contributions were once based on the premise that business and society are interdependent and must therefore be mutually supportive. Now, contributions are considered as strategic resources designed to accomplish societal objectives while also addressing legitimate business objectives. AT&T adopted the practice of "strategic philanthropy" with the founding of the AT&T Foundation in 1984. The Foundation's strategic approach relates corporate giving closely to the achievement of AT&T's marketing, recruitment, research and development, community and public relations objectives. Strategic philanthropy has also helped foster synergy across AT&T business units. Strategic philanthropy has helped to bring congruence to and get leverage from AT&T executive board memberships, employee volunteer activities, executive loan, and donated equipment. Perhaps more important, the emphasis on measurable results has led to more carefully focused grantmaking, higher profile, multi-year initiatives and encouraged partnerships with government, private foundations and nonprofits.

Let me describe how strategic philanthropy plays itself out in our grantmaking to higher education and HBCUs.

The AT&T Foundation Education Program: Supporting Higher Education. The AT&T Foundation's scope is global. We provide cash grants throughout the United States and around the world to nonprofit institutions for innovative programs that help people achieve self-sufficiency and lead productive lives. We seek projects that simultaneously meet society's needs and relate to AT&T's business objectives. We are particularly inclined towards projects that employ innovative technological solutions.

We support higher education programs that improve the teaching and learning of math and science and projects that explore the role of technology in education, and its capacity to connect students, teachers, classrooms and institutions. Our support for higher education is provided through the following programs with most grants offered on a competitive basis by invitation only:

- **Special Purpose Grants in Science and Engineering** address research, curriculum development or other departmental needs in such fields as electrical engineering, computer science, chemistry and physics.

- **The Manufacturing Technology Grants Program** strengthens applied engineering disciplines that are essential to manufacturing productivity and industrial competitiveness;
- **AT&T's Industrial Ecology Grant Program** supports projects and faculty fellowships for research and curriculum development that integrate technology and the environment to eliminate or reduce negative environmental effects at every stage of a product's life cycle;
- **AT&T Bell Laboratories Cooperative Research Fellowship Program** encourages minority students to pursue doctoral degrees;
- **AT&T Bell Laboratories Graduate Research Program for Women** seeks to increase participation of women science and engineering;
- **AT&T Bell Laboratories Ph.D. Scholarship Program** aims to increase the number of highly trained Ph.D. recipients in selected technical fields; and
- **The Historically Black Colleges and Universities Engineering and Computer Science Program** is described in the following section.

AT&T's Relationship With HBCUs. The relationship AT&T has had with HBCUs has always been a strategic one. It has incorporated philanthropy, employee voluntarism, AT&T's employee matching gifts program and equipment donations. The relationship has withstood the disruption in the communications industry created by the divestiture of the Bell System in 1984. It survives the tremendously intense competition in today's telecommunications market. Why? Because the support is not charitable giving, it is a sound business investment.

We support HBCUs because they emphasize teaching excellence. HBCU students represent a talent pool that is both extraordinarily wide and deep. The graduates make up a large proportion of the overall number of African-American college graduates and college enrollment trends suggest a resurging interest in HBCUs among African-American youth. HBCUs have almost single-handedly created the African-American middle class. Many of the most prominent HBCU graduates have been life-long advocates for equality and social justice, the major theme having been inclusion in, not exclusion from, mainstream American society.

HBCU professors generally instruct in small settings. They tend to love their craft. They convey knowledge, foster exploration and discovery, transmit values and facilitate learning. They know their students by name. The opportunity for the students to engage in face to face discussion across a table not just an auditorium and to meet teachers outside the classroom is to be treasured and protected.

As an alumnus I reflect on how well served I was by the skills I learned at Morehouse—the ability to think logically and creatively, to speak and write fluently, mastery of the basics of history, literature, philosophy, language, political science, biology and chemistry, fine and performing art, among other subjects. These skills have helped me tackle the problems and issues I have confronted throughout my professional life.

These skills, which HBCUs at their best help their students develop, motivate all supporters and donors. There are, however, other special reasons which motivate AT&T's corporate assistance and I suspect that of other corporations as well. The graduates of HBCUs perform extremely well in management.

Words that former AT&T Chairman Charles Brown once said in another setting apply here.

A simple look around will confirm that we are living in a high technology, knowledge-intensive society. Technology is the singular mark of our time — in particular, computers and telecommunications. Indeed, despite the dizzying speed of technological advances, we are just beginning to tap the potential of these technologies in terms of the way industries and businesses are run in the way government, education and medical institutions operate; in the way we work; the way we learn; and the way we live.

Does this mean burgeoning opportunities for the hi-tech college students—the computer science majors, the physicists, the electronic engineers? Absolutely!

Does the rise of the information age sound the death knell for HBCU graduates? I say no in the face of those critics of HBCUs who believe otherwise. Most of the critics believe HBCUs are anachronistic, relics of that bygone era when segregation blocked access to many of the nation's colleges and universities. The critics believe inadequate resources of the HBCUs mean they provide inferior education. If the teachers are less paid they must therefore be less competent. Critics who agree that the preva-

lence of teachers as opposed to research scholars means there is little emphasis on scholarship. I do not subscribe to those beliefs.

In AT&T's view, HBCUs offer wonderful opportunities for students to discover the exhilaration of learning, the capacity to weigh evidence, to probe difficult problems, to ponder life's values. Yet, our support of HBCUs stems from more than the strength of the liberal arts education they offer. The real underlying reason for AT&T's support of HBCUs is that they help us achieve an important goal: to increase the pool of minority talent, particularly in engineering and the physical sciences.

AT&T's long history of sustained support to HBCUs goes back to the pre-divestiture Bell System. Recognizing the need to preserve and enhance an American educational heritage, AT&T initiated its aid to black colleges program in the 1960s. Consistent with AT&T's overall education program, that support focused on science and engineering programs. Through visiting professors and loaned executives, AT&T helped establish and build engineering departments on HBCU campuses. Through donations of cash and equipment, AT&T has helped improve facilities and curriculum. Through scholarships, AT&T has provided financial support to students who might not have had access to higher education, particularly in science and engineering.

The mission of HBCUs has always been aligned closely with AT&T's commitment to equal access and opportunity regardless of gender, race, ethnicity or physical limitations. HBCUs have been laboratories and incubators for diversity. They have been educating African-American students to become valued, contributing members of mainstream American society from their inception. AT&T does not view the support to HBCU campuses as a subset of our efforts to support higher education. Rather, the HBCUs are seen as a significant sector of higher education, such that what we do there will be viewed in the larger context of AT&T support for advancing diversity throughout the higher education community.

Since 1984, AT&T has targeted 10 HBCUs for strategic support: Atlanta University Center, Hampton University, Howard University, Jackson State University, North Carolina A&T University, Prairie View A&M University, Southern University, Tennessee State University, Tuskegee University and Xavier University. They have multiple relationships—recruiting, research and development, sales and marketing and philanthropic—with various AT&T entities, including business units, AT&T Bell Laboratories and the AT&T Foundation. Managed under the aegis of AT&T's

University Relations Center, these schools have an AT&T manager and corporate and technical executives assigned to them.

For the last ten years, the AT&T Foundation has been AT&T's primary source of philanthropic support for these HBCUs through the Engineering and Computer Science Program. Under this program, the AT&T Foundation provides cash grants specifically to improve engineering and computer science education. HBCUs have used the grants to meet basic educational needs while attempting to stay current with advances in instructional pedagogy and new developments in the sciences, engineering and technology. In addition to AT&T Foundation support, AT&T continues to include these 10 HBCUs in the AT&T University Equipment Donation Program (UEDP) and visiting professor program. Visiting professors have been vital to the development of HBCU students and curriculum. UEDP grants have provided facility enhancements and increased the instructional and research capabilities on their campuses. AT&T employees have been engaged as lecturers and mentors under the summer research program, the graduate research program women, and the cooperative research fellowship program for minorities and women administered by the AT&T University Relations Center. Business units provide support for special projects and organizations on campus, and employee alumni of the HBCUs contribute to these institutions through the AT&T Employee Matching Gifts Program.

Foundation support of the HBCU Computer Science and Engineering Program during the past three years has been used to address some very basic programmatic and educational needs at the HBCUs. These include: student development/retention; student scholarship support; faculty recruitment/development; curriculum development; and facility enhancement.

That AT&T's employee pool and diversity profile can be improved by our technical recruitment efforts at HBCUs is an important dimension of our corporate diversity strategy which we hope is advanced by the computer science and engineering program. All of the education and programmatic components that have been supported by AT&T Foundation dollars have contributed to that end. These institutions have educated students, many of whom have been academically and/or financially unprepared for college. They have given students the skills and confidence to obtain the technical/professional employment with top-level high tech firms, enter the most prestigious graduate and professional pro-

grams in the country, and achieve success in their fields of study and employment. Many have become professors at majority institutions and have become significant resources for those campuses as they struggle to advance diversity in the higher education community.

In addition to AT&T's targeted support for these 10 HBCUs, AT&T supports the United Negro College Fund and its 41 HBCU member institutions. Since 1984, AT&T has given more than \$4.6 million to UNCF. Retired AT&T Chairman Charles Brown chaired the UNCF capital campaign from 1978 to 1982. In 1991 AT&T awarded a \$3.7 million grant, payable over 5 years, to UNCF. This commitment to the UNCF's Campaign 2000 represents the largest single grant ever made by the AT&T Foundation. This support is designated to meet library needs at the 41 UNCF schools—a purpose the leadership of these institutions identified as important. Funding is being used to acquire books and other materials and to make physical improvements to the libraries. AT&T's current Chairman, Robert Allen, accepted an award from President Reagan on behalf of the White House Initiative on Historically Black Colleges and Universities.

AT&T's support of HBCUs and UNCF reflects a dedication to improve access to quality educational opportunities for minorities in general, and increase their representation in science and engineering in particular. That dedication is a part of AT&T's overall commitment to education, which grows out of economic necessity as well as social responsibility. It reflects an alignment of social need and business objectives.

Perhaps all that can be said about AT&T's commitment to supporting the higher educational operations of people of diverse backgrounds can be summed up in comments by AT&T Chairman Robert Allen. "More than any business plan or strategy, more than any technological breakthrough, our business will rise or fall on our ability to engage the full potential of all AT&T people. Diversity must be integrated into our operating style." Diversity is a business imperative throughout AT&T. There is mounting evidence that a diversified firm can make better business decisions, market more effectively and win, and keep the best employees. AT&T's investment in HBCUs is clearly an investment in the future of this nation and in the full participation all of its citizens.

References

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The proud and sensitive Negro, if he is to be free in his own mind and soul, must forever be on guard against accepting conditions that will enslave his spirit. On countless Tuesday mornings in chapel I pointed out to the Morehouse students that the only way they could be free in a rigidly segregated society was by consistent refusal ever to accept subservience and segregation in their own minds. As long as a man registers some form of protest against that which is obviously wrong, he has not surrendered his freedom, and his soul is still his own. The struggle to maintain one's integrity is always difficult, but for a black man in a white-dominated world it is a continuous "trial by fire."

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