

THE ROLE OF
CORPORATE
GIVING IN
ADULT
LITERACY

by Forrest P. Chisman
& Gail Spangenberg

Council for Advancement of Adult Literacy

March 2006



THE ROLE OF CORPORATE GIVING IN ADULT LITERACY

**A Verizon-funded Project
of
The Council for Advancement of Adult Literacy**

by Forrest P. Chisman
and Gail Spangenberg

March 6, 2006



Council for Advancement of Adult Literacy
1221 Avenue of the Americas – 46th Floor
New York, NY 10020 (212) 512-2363
<http://www.caalusa.org>

(c) Council for Advancement of Adult Literacy

Published by Council for Advancement of Adult Literacy
[Eds. Gail Spangenberg with Betsy Feist and Bess Heitner]
1221 Avenue of the Americas – 46th Floor
New York, NY 10020
<http://www.caalusa.org>

CONTENTS

FOREWORD	i
EXECUTIVE SUMMARY	iii
INTRODUCTION	1
PART I: DISTINCTIONS & DEFINITIONS	3
PART II: DIMENSIONS	6
A. Who Gives and How Much?	6
B. Why Do Companies Give?	9
C. To Whom Do They Give?	13
D. How Do They Give?	16
E. Concluding Comments and Issues	23
PART III: DETERMINING IMPACT	28
A. Net Effect as an Impact Measure	29
B. Learning Gains as an Impact Measure	31
C. More Tangible Impact Measures	33
D. Logic Models and Quality Indicators	34
E. Concluding Comments	35
PART IV: NATIONAL INVESTMENTS	38
A. Need for National Leadership	38
B. Literacy Leadership	39
C. Funding Patterns	40
D. Building Leadership Organizations	40
E. Sustaining Leadership	41
F. Innovation	42
G. Partnerships and Funding for Innovation	45
H. Concluding Comments and Issues	45
PART V: LOCAL INVESTMENTS	48
A. The CAAL Survey	48
B. The Reach of Funding	50
C. Fiscal Impact	51
D. Use of Funds	53
E. In-Kind Contributions and Services	55
F. Using National Services and Organizations	57
G. Validation	58
H. Problems in the Grantmaking Process	58
I. Concluding Comments and Issues	59

PART VI: UNMET NEEDS	64
A. Strategic Planning to Improve the System	64
B. Literacy Plus	66
C. Building Awareness	68
D. Public Policy	69
PART VII: CONCLUSION	72
APPENDIX A: About the Authors	74
APPENDIX B: Advisory Committee	75

FOREWORD

A number of corporations have long been committed to adult literacy as an area of philanthropic giving. As they will see from this report, they have good reason to be proud of their record.

As the report explains, a few companies have played a highly significant funding and leadership role in improving adult literacy in the United States, and many other companies give at least some support to literacy. Given current political and economic realities – and implications of the recent findings of the National Assessment of Adult Literacy (NAAL) – there is no better time to recognize and understand the nature and impact of the corporate role. This report tries to do that. It is a pioneering effort to provide insights on this important, unexamined topic. It is based on findings of a nine-month study conducted by the Council for Advancement of Adult Literacy (CAAL) in 2005, with funding from the Verizon Foundation.

The story told here is complex, yet in the final analysis, its message is simple: Because adult literacy efforts are in great need of both cash and noncash support, and because improvements in the adult literacy system are of utmost importance to the welfare of the nation and of millions of Americans, corporate support is highly valued in this field, both at the national and local levels. By any number of measures, corporations play an instrumental role in adult literacy. We cannot emphasize enough how essential this role is because it so often meets needs for which no other funding is available.

In conceiving this project over a year ago, CAAL and Verizon hoped that an examination of corporate giving and its impact would benefit both corporate donors, including Verizon itself, and literacy groups. We could not know where the investigation would lead, but CAAL believes that the information and analysis contained in *The Role of Corporate Giving in Adult Literacy* will be a real eye-opener for grantor and grantee alike. Both should be challenged, even encouraged, by the findings.

We hope this report will motivate companies currently committed to adult literacy to reexamine and strengthen their commitments. But considering the scale of the problem our nation faces in achieving needed levels of adult literacy, we also hope that many other companies will be motivated to devote a portion of their philanthropic resources to this great cause.

That is not to say that CAAL has done the definitive study. Indeed, this work is just a step in the right direction. But by creating an analytical framework and a baseline of information for understanding corporate philanthropy in this field, *The Role of Corporate Giving in Adult Literacy* provides at least an initial intellectual and practical basis for increased dialogue among corporate donors and literacy leaders.

Special thanks are due to many people. The project could not have taken place without their sacrifices and dedication: Lance Chrisman and Debbie Johnson, CAAL's Verizon program officers, contributed deep understanding and vision early on. They have since moved on to other jobs in the Company, but the importance of their contributions to this project and to adult literacy generally over many years cannot be overstated. Evan Leach and his TAP Consulting

firm designed and administered CAAL's web-based survey on local funding. Four organizations generously volunteered their services to enable the survey – the American Library Association, the Commission on Adult Basic Education, Literacy USA, and ProLiteracy Worldwide. At the outset of the project, research associate Jane Segelken conducted an extensive search to help CAAL identify and assess significant corporate giving activities in adult literacy. Finally, a number of corporate and literacy professionals served on a project advisory committee. They and many others with whom CAAL consulted all along the way provided valuable input and guidance.

We have taken a look at this important topic at one brief point in time; we cannot predict the future. But we hope this CAAL report will find a wide audience in the corporate and literacy communities.

Gail Spangenberg
President, CAAL

Forrest P. Chisman
Project Study Director
Vice President, CAAL

EXECUTIVE SUMMARY

Corporate philanthropy makes a major and distinctive contribution to sustaining and improving America's system of adult literacy service, and hence to improving the literacy of large numbers of adult Americans.

Its most distinctive contributions are for innovations in service, program improvement, and institution building. Indeed, corporate donors are virtually the only substantial source of support for these essential functions for a great many literacy programs and national literacy organizations.

DIMENSIONS

A large number of American corporations contribute to adult literacy on an occasional basis, but only a small number have established literacy as a major priority for their philanthropic activities. Although precise amounts are difficult to determine, it appears that total giving for adult literacy by national corporations is on the order of \$30 million annually. The Verizon Foundation is easily the largest donor and may account for as much as one-third of all national giving in this field. Other larger contributors are Dollar General Corporation, Wal-Mart, IBM, UPS, and Starbucks. Based on the information available, it appears that these and a few other companies that have established adult literacy as a priority provide 70 to 80 percent of all corporate funding for this field.

Many companies that have established "literacy" as a priority provide funding for both adult literacy and literacy programs to benefit children or promote "reading" more generally. Some also support programs in such areas as "health literacy," "financial literacy," or "computer literacy." It appears that many corporate donors provide more funding for these and other types of "literacy" than for programs to increase the basic skills of adults.

Companies support literacy for a combination of altruistic and business reasons. For the most part, they support literacy organizations that are not primarily publicly funded – e.g., community based organizations (CBOs), libraries, and local literacy coalitions. More than two-thirds of corporate giving goes to local literacy programs. The balance of funding goes to national literacy leadership organizations. The median size of grants to local programs is \$5,000 to \$15,000. Grants to national leadership organizations tend to be much larger – occasionally reaching \$100,000 or more.

Some corporate support for literacy is given through corporate foundations; some comes directly from public affairs or other corporate offices. With the exception of Dollar General Corporation, most corporate donors do their local giving on a decentralized basis. They delegate the selection of local grantees to their local or regional managers. Varying degrees of guidance and oversight are provided by national corporate giving offices. Grantmaking to national leadership organizations is centralized.

In addition to cash grants, many companies that have a high-priority commitment to adult literacy also make substantial in-kind contributions – e.g., donations of equipment, services, and volunteer time. Notably, IBM has developed and provides for free an innovative reading recognition software program for English-as-a-Second-Language (ESL) students.

In determining their current and future priorities in adult literacy, corporate donors may wish to consider if they have struck the right balance or emphasis in several areas:

- **Supporting adult literacy in relation to supporting reading programs that primarily benefit children.** Many companies that have established literacy as a priority support both areas, but there are a number of compelling reasons to consider whether more emphasis on adult programs would give greater recognition to corporate givers and produce better results in terms of literacy service.
- **Supporting local programs in preference to national leadership organizations.** The multiplier effect and types of assistance that can be provided may be increased by a greater emphasis at the national level. National and local programs and organizations are both in fragile financial circumstances, but the latter depend importantly on the former for vital technical assistance and other services.
- **Supporting local literacy programs that are not funded primarily by government/public sources, such as those managed by CBOs, libraries, and literacy coalitions vs. those that are, such as local education agencies (LEAs) and community colleges.** Some 80 to 90 percent of all literacy students in the U.S. are served by programs managed by LEAs and community colleges, but corporate support goes primarily to CBOs, libraries, and literacy coalitions. While the latter require corporate support and play a vital, irreplaceable service role, both program types have similar needs and often form a symbiotic relationship.
- **Supporting community-wide public-private partnerships vs. supporting individual programs.**
- **Retaining flexibility in the operation of grant programs vs. increasing their transparency** – by providing more detailed information about types of projects supported, funding levels, contact points, and other topics of interest to potential grantees and the public.
- **Pursuing individual corporate goals in this field vs. collaborating with other companies or encouraging them to establish adult literacy as a giving priority.**

DETERMINING IMPACT

Most corporate donors want to be able to determine the impact they have on adult literacy. Various measures of impact can be used, some more meaningful than others.

- **Net gains.** Due to the absence of adequate baseline data/measures, it is virtually impossible to determine whether literacy programs supported by any source increase the net level of literacy in the United States.
- **Learning gains.** Most literacy programs result in learning gains by students, and some corporate-supported programs report them to public funding sources on a regular basis. They may also be expected to provide the information to their corporate donors. Companies could place an undue financial burden on many of their funded programs, however, if they go too far in this direction.
- **Other program outputs.** There are many other outputs programs might more easily report on – e.g., increases in the number of students served, hours of service, and number of students who pass certain benchmarks such as obtaining a GED. If corporate donors specify the outputs they wish programs to achieve and establish clear reporting mechanisms, meaningful impact data can be obtained. However, corporate donors must bear in mind that they provide only a small percentage of support for most programs, and the relationship between their funding and the outcomes may be unclear.
- **Input measures.** The most meaningful measures of impact can probably be derived from determining what inputs (e.g., staff training, curricular improvements, or better use of technology) are most likely to improve the quantity and quality of literacy service in various types of programs. Companies that support these inputs can be confident that they are having an impact in improving literacy. The value of various input measures should, however, be validated by research and expert opinion. Several national leadership organizations are developing “logic models” of research based “quality indicators” that will make it easier to assess the value of different inputs with a higher degree of confidence. Additional grant support is required for this work.

Even without a precise measure of the impact of adult literacy programs, the impact of corporate giving in this field is apparent by a descriptive review of the distinctive contributions this form of philanthropy makes to the literacy field at the national and local levels, respectively.

NATIONAL INVESTMENTS

The adult literacy field has too few national leadership organizations to provide the type and level of support for improvement and expansion that local programs and policy developers need. Corporate donors have played an essential role in strengthening current national leadership in three major ways:

- **Institution building.** Corporate donors have been instrumental in the creation of a number of the more important national leadership organizations – those that specialize in providing services that would otherwise be unavailable.
- **Sustaining leadership.** By unrestricted contributions and sequential project grants, companies provide vital support to national leadership organizations. The amount of

support is limited, however, and it flows mostly to a very small number of large, well-established groups.

- **Innovation.** The most distinctive contribution that corporate donors make in adult literacy is to support the development and dissemination of innovative practices in literacy service. Corporate support of other leadership activities is also of vital importance – by expanding the reach of adult literacy through research and policy development work and supporting alliances with other areas of public service. But most corporate donations to national leadership organizations support innovation of some kind, and they constitute a large percentage of the budgets of some organizations. There is no other source of support available for innovation by national leadership organizations. Corporate donations for innovation provide an indispensable national service.

Among the issues corporate donors ought to consider in their support of national leadership organizations is whether to invest more in institution building. There are three basic targets of opportunity: (1) Support for leadership organizations that presently need help in taking their work to scale; (2) development of leadership in new areas (such as adult education ESL) through new or existing organizations; and (3) explorations into how companies can best use their staff and funding resources to stimulate innovation.

LOCAL INVESTMENTS

Although most corporate adult literacy giving goes to local programs, little systematic information has been developed about the reach, use, and probable impact of this giving. In the fall of 2005, CAAL carried out a web-based survey of several thousand local literacy programs to develop a preliminary estimate of the dimensions of local corporate giving.

The survey found that, in the aggregate, the reach of corporate giving is very large. Half or more of CBOs and local literacy coalitions, but a smaller percentage of library programs, reported receiving funds from national corporations. The median size of the budgets of CBOs and literacy coalitions responding to the survey was \$50,000 to \$100,000. The median amount of corporate support was \$5,000 to \$15,000. These and other findings indicate that corporate philanthropy has a significant fiscal impact on many local programs. Support from national corporations is comparable to the amount provided by local businesses, United Ways, or individual donors. However, it appears that most programs receive an even larger amount of support from other sources, probably either public funding or organizations that sponsor them.

According to the survey, local programs use corporate funding mostly to support program improvement activities (such as advancement in curricula and instructional methods) or to expand their infrastructure (especially by increasing their use of information technology), rather than to support ongoing operations. However, funds from local businesses, United Ways, and individual donors, are also used in these ways. The major difference is that corporate funds seem more likely to be used to develop new types of service offerings (such as ESL or GED service).

The use of funds reported differs significantly depending on the corporate donor that provides them, and these differences may reflect corporate priorities. For example, funds from donors in

the telecommunications industry were more likely to be used for investments in information technology, and very small grants were more likely to be viewed as general support.

Most programs receive in-kind contributions from national companies – e.g., donations of equipment, referral of learners, assistance in fundraising, and volunteer services. Some CBOs have corporate leaders on their boards, a form of service that may provide added help with management and fundraising.

A large percentage of the local programs use the services provided by leadership organizations that corporate donors support, although the percentage of use by type and source of service varies greatly among the programs. Contrary to expectations, funding from corporate sources does not appear to legitimize the programs in the eyes of other funders to a greater extent than funding from other sources, such as from local businesses and United Ways.

Finally, 20 to 30 percent of the respondents that get funding from national corporate sources indicate that they have a hard time navigating the grantmaking process. There appears to be a need for corporate donors to examine whether their procedures can be made more transparent.

A number of issues arise from the survey that are worthy of corporate consideration. For example, could companies achieve more (1) if they contribute in ways that differ from other kinds of donors; (2) if they target more precisely the type of program improvement they will support; (3) if they invest more heavily in organization building than service improvement at the local level; (4) if they focus more on partnerships to improve the level of literacy service in communities and less on supporting individual programs; or (5) if they increase their support for libraries, which seem to receive less corporate support than other local program types?

UNMET NEEDS

CAAL consulted its advisory committee and other national literacy leaders about whether there are major unmet needs in the adult literacy field. Four were identified:

- **Strategic planning to improve the literacy system as a whole** – developing a “big picture” blueprint for the decades to come that can be acted upon in the near term – possibly by a high-visibility blue ribbon commission on the future of adult literacy.
- **Literacy plus** – developing new programmatic directions that more closely link adult literacy to other areas of education and to other employment and social services.
- **Public awareness** – assessing the extent of public awareness of and knowledge about adult literacy, and devising ways to increase public support for this field.
- **Public policy** – building a better understanding of how federal, state, and local policies affect literacy provision, as well as alternatives to those policies, and providing technical assistance to policymakers, research organizations, and others who wish to examine new policy directions.

INTRODUCTION

In late 2004, CAAL's president met with Lance Chrisman, an executive from Verizon's corporate giving program. Each sought to understand the universe of the other more fully: on the one hand, the history and challenges of the adult literacy field, and, on the other, factors at play in the philanthropic and social responsibility decision-making of the corporate world. By the time the meeting ended, this study had been conceived. CAAL's final report on the study, titled *The Role of Corporate Giving in Adult Literacy*, provides a much-needed examination of this important topic, the first of its kind.

Study Methodology. There is no single repository of information about corporate giving for literacy, or, for that matter, about corporate giving for any other purpose. Thus, within the confines of a small grant budget CAAL had to be creative in its approach to this study. We spent a great deal of time identifying the handful of corporations that presently operate significant grant programs in literacy, and used several research techniques: (1) We organized and worked with a team of advisors drawn from both the literacy and the corporate communities (see Appendix B). (2) We conducted multiple interviews with the grant officers of a number of prominent corporate giving programs. (3) We convened a symposium of national literacy leaders to discuss the impact of corporate giving on their organizations and the field as a whole and carried out follow-up interviews with these and other literacy leaders. (4) We reviewed a large amount of material – such as annual reports, grant lists, guidelines, project reports, organizational funding summaries, and other information. Some of it was provided by the donors and literacy organizations; some was available from public sources, such as libraries and the Internet. (5) Finally, with the help of Transition Assistance Programs, Inc. (TAP) – and the cooperation of ProLiteracy Worldwide, the American Library Association (ALA), Literacy USA, and the Commission on Adult Basic Education (COABE) – we conducted a web-based survey of local literacy programs to determine the impact of corporate giving at the local level.

Based on these materials and consultations, and drawing on our own extensive background in the adult literacy field, CAAL developed the profile of corporate giving offered in this report.

Report Organization. The report is organized into six major sections: Part I (*Distinctions & Definitions*) discusses the report's specific focus and definitional issues. Part II (*Dimensions*) looks at the scope of corporate giving for adult literacy, the reasons for that support, and how support is given. Part III (*Determining Impact*) considers the difficult question of how corporate donors can assess the impact of their giving on literacy. Part IV (*National Investments*) examines the distinctive role of corporate giving to national leadership organizations, while Part V (*Local Investments*) presents CAAL's findings on corporate giving at the local level. Part VI (*Unmet Needs*) discusses some major unmet needs in adult literacy. Appendix A gives brief biographical information about the authors. Appendix B lists members of the project advisory committee.

Parts II, IV, and V conclude with a discussion of special "issues." Our intent is to help corporate donors identify the choices they have made or might make in their giving programs as well as the results of those choices. CAAL cannot know whether current giving patterns are problematic for any of the corporate donors or grant recipients that took part in this study. That is for them to decide. However, we are convinced that the best way to understand both the decisions and outcomes is to spell them out explicitly in this report.

I. DISTINCTIONS & DEFINITIONS

In examining corporate giving to adult literacy, definitional distinctions should be clearly understood. Discussions of this field are often clouded by lack of them.

When this report uses the terms “corporate philanthropy,” “giving,” “support,” or “funding,” it refers to organized programs by which corporations provide financial support (and in some cases in-kind support) to organizations outside the corporation – through grants, individual donations, or some other means. Thus, corporate giving for adult literacy differs from the donations that individual corporate executives may provide, corporate gifts that may be made on an occasional basis as part of community relations programs, employee matching gift programs, internal employee training programs, or other company-managed educational programs, however meritorious all of these may be.

Moreover, this report focuses primarily on the philanthropic activities of large, national companies, rather than local businesses – although it contains information about the latter. There are two primary reasons for this: the relatively greater availability of information about the giving patterns of national corporations, and the fact that they appear more likely to be organized in a systematic way than the charitable activities of local businesses. However, it is clear from our study that local business donations deserve far greater attention than they have received because they represent a significant source of support, not only for literacy, but also for many other causes.

By “adult literacy,” this report follows the definition implicit in the federal Adult and Family Literacy Act. Adult literacy programs provide or otherwise support one or more of the following instructional services to people 16 years of age or older who are not enrolled in school (or they provide research and policy development related thereto): adult basic education (instruction in reading, writing, and math); ESL service (instruction in English language reading, writing, speaking, and listening for non-native speakers); and preparation for high school equivalency certificates (commonly referred to as certificate “GED classes”). This definition includes “family literacy” programs that benefit both adults and children through

these services. It excludes programs primarily intended to increase the literacy of children or to further other educational goals.

The distinction is important because many corporate contributors to *adult* literacy causes also fund programs to increase children's literacy – for the understandable reason that one way to improve levels of adult literacy is to improve the literacy of people before they become adults. But programs to improve children's reading and basic skills levels necessarily take a very different form from those aimed at adults. The two are equally worthy but fundamentally different enterprises. Any examination of corporate giving for adult literacy runs the risk of misrepresenting the nature and dimensions of that giving, because companies themselves often combine programs for adults and children under the general rubric of “literacy” or “education” in their mission statements, grantmaking programs, and reports. CAAL's report focuses on those aspects of corporate literacy support given to benefit adults.

The definition of “literacy” adopted by this report is also important because the term is sometimes used to denote improving communication skills or other basic skills beyond the academic and language fundamentals normally taught by adult education programs. For example, the Pfizer Corporation has pioneered an excellent program for consumers of healthcare services (discussed below). Broadly speaking, that program improves communications between patients and medical personnel by a wide variety of means (such as fostering the development of easy-to-read healthcare information and teaching people what questions to ask their doctors). But the program rarely supports projects that attempt to improve the level of basic literacy skills of adults or the training of low-level healthcare providers.

In a similar fashion, a number of financial institutions and other companies presently support programs to advance “financial literacy.” McGraw-Hill is a case in point. Its primary aim is to increase the level of public knowledge about personal financial issues rather than to improve basic skills. Moreover, many funding sources support “computer literacy” instruction, and an increasing number of adult education programs offer this type of instruction. These efforts aim to help people perform at least the elementary functions required to use computers, such as

keyboarding and sending e-mail. Although computers and other technology are vital tools, it is important to stress that technology in adult literacy programs is primarily an instructional mechanism for improving basic skills or other educational pursuits, not an end in itself.

Aside from clarity, this report focuses on a fairly strict definition of “adult literacy” for another important reason. By best estimates, tens of millions of American adults are severely disadvantaged by the fact that they have very low basic skills in reading, writing, and math, low levels of English language ability, or lack a high school diploma.¹ Yet, financial support from public and private sources to help programs overcome these problems is grossly inadequate to the need. There are many worthy educational causes in our nation – and many of them might benefit this same population – but this report focuses squarely on programs that are targeted on upgrading adult basic skills.

¹ The recently completed federal NAAL survey confirms this fact. See National Assessment of Adult Literacy (NAAL): *A First Look at the Literacy of America’s Adults in the 21st Century*, National Center for Education Statistics of the U.S. Department of Education, available at <http://nces.ed.gov/naal>.

II. DIMENSIONS

A. WHO GIVES AND HOW MUCH?

Most large American corporations engage in philanthropy of some kind, and many have systematic giving programs that support particular causes. However, only a handful have programs targeted specifically on adult literacy. Figure 1 lists national corporations that have identified adult literacy as a priority for corporate giving.

Figure 1: National corporations that have continuing philanthropic programs for adult literacy

Dollar General – Dollar General Literacy Foundation
IBM – IBM Corporate Community Relations
Pitney Bowes – Pitney Bowes Literacy Fund*
Scripps Howard – Scripps Howard Foundation
Starbucks – Starbucks Foundation*
Time Warner – Time to Read program*
United Parcel Service (UPS) – UPS Foundation – literacy giving managed by APCO Worldwide
Verizon – Verizon, Verizon Foundation
Wal-Mart – Wal-Mart Foundation

**Did not participate in the CAAL study.*

To identify these corporations, CAAL carried out an exhaustive search of public records and examined the grant sources of literacy organizations receiving corporate support. One discovery we made is that it is often difficult, if not impossible, to determine the amount that most companies give to adult literacy. Several informational barriers explain this problem:

Frequently, companies are reluctant to disclose grant amounts, and few publish comprehensive grant lists. Some companies donate directly out of their corporate offices; this giving is not reported by category, nor are reports required by law. Thus, where corporate giving is concerned, central repositories of information, such as the Council on Foundations and the Foundation Center, are useful only on a hit-and-miss basis. Furthermore, some companies, even those that give internally, may operate separately incorporated stand-alone foundations.

These freestanding operations are required to report their giving to the IRS, but their reports usually lack the detail needed to determine their specific activities. As noted, many of the corporate grant lists and total giving amounts that are reported fail to distinguish between support for adult literacy and activities to improve the literacy of children, or even between adult literacy (or adult education) and support for other educational causes. In addition, even companies with established corporate foundations often support literacy by other means – such as with cash or in-kind donations from their public affairs departments, local operating units, or other corporate divisions.

Verizon: In a Class by Itself. Of those companies listed in Figure 1 above – all of which have substantial giving programs specifically devoted to literacy – Verizon is presently by far the largest current donor. Through its “Verizon Reads” program, Verizon devotes more than \$5 million per year to help national organizations advance literacy. It also contributes about twice that much to the support of local literacy organizations. However, an analysis of the Verizon Reads grant list for 2004 indicates that less than half of its funding for national programs supports adult or family literacy. Most funding is for programs that increase the literacy of children or that encourage the general population to read more. Information on the percent of Verizon’s local grants targeted specifically on adult and family literacy could not be determined. However, a survey of local literacy programs suggests that Verizon is probably their largest corporate supporter in dollar terms (although not necessarily in the number of grants awarded).

Dollar General, IBM, Scripps Howard, UPS, Wal-Mart, & Others. Several companies provide funding or other forms of support for literacy, amounting to a combined total of \$2 to \$4 million per year. These include Dollar General Corporation, Wal-Mart, and IBM, whose funding appears to be devoted to *adult* literacy.

A few companies have established smaller adult literacy programs within their corporate foundations: Each year, UPS gives about \$1 million to community literacy programs and national leadership initiatives; Scripps Howard awards some \$200,000 for community literacy programs; and Starbucks gives about \$1 million to community family literacy and various child

development causes. A number of other companies operating in particular geographic regions (such as Entergy and Hastings Entertainment/Hastings Books) also have programs dedicated to literacy in the communities they serve.

Many other companies – e.g. the Chicago Tribune Charities, Chevron, ExxonMobile, American Express, Boeing, Target, Allstate, Household International/HSBC, and Hitachi – occasionally make grants to literacy organizations. Although there are exceptions, most of these grants are small, given as part of their programs to support community betterment.

Time Warner provides resources for local volunteer mentoring support. And many national book chains and publishers (such as Half-Price Books, Borders, Barnes & Noble, Scholastic, and RR Donnelly) have participated in book donation drives and other projects to encourage reading, increase awareness of literacy as an issue, encourage employee volunteer efforts, and support new readers.

Finally, a number of companies support literacy by contributing almost exclusively to specific national organizations – such as ProLiteracy Worldwide, CAAL, and the National Center for Family Literacy (NCFL). Most of these grants are relatively small, although Toyota’s support to the NCFL probably represents the largest single corporate contribution to any one literacy organization in the country.

In short, a large number of American companies are associated with promoting literacy in some way. But fewer than a dozen companies have a specific, continuing programmatic commitment to adult literacy, and only about half of these provide large amounts of funding on a regular basis.

What It Adds Up To. Total grant funding by national corporations for adult and family literacy is probably on the order of \$30 million per year. Companies also donate an undetermined amount of in-kind support, such as publicity, employee volunteer time, and employee matching grants. Corporations that have programs specifically devoted to literacy, and that also support multiple organizations, account for a majority of this giving – on the

order of \$20 million. The balance comes from small to medium-sized corporate grants that support one or a small number of literacy groups – along with many other worthy causes they choose to support.

The total amount of corporate giving for adult literacy undoubtedly exceeds the support provided by private foundations, but it is far less than the estimated \$2 billion per year expended by various levels of government.²

In sum, in the aggregate, *corporate foundations are the dominant source of philanthropic support specifically devoted to adult literacy*, even though their donations are a small portion of the national expenditure for this purpose, and even though the exact level of their total grant funding cannot be precisely determined.

B. WHY DO COMPANIES GIVE?

Companies donate to literacy and other causes for both altruistic and business reasons. Corporate cultures are varied and complex, so it is often hard to know where one of these motives ends and the other begins.

Corporate Citizenship. Some of the altruistic reasons for corporate giving are very much the same as those of private foundations or charities. Corporations are, after all, assemblages of people. There is every reason to believe that corporate executives are as concerned as anyone else about the social and economic problems of the United States. The notion of “corporate citizenship” has long been a part of American business culture. In its most elementary form, corporate citizenship is the idea that companies themselves, rather than just their employees, should “give back” some of their earnings for the good of the nation – and to the specific communities in which they operate – because their welfare is dependent on the larger public welfare.

² This figure is available from many sources, including *Leading from the Middle: The Role of the States in Adult Education and Literacy*, Forrest P. Chisman, Council for Advancement of Adult Literacy, August 2002. [Available from the CAAL website at www.caalusa.org.]

The philosophy of corporate citizenship takes many different forms – depending largely on the personal beliefs of particular executives. But, in any form, it is related to the notion of trusteeship memorably expressed in Andrew Carnegie’s “The Gospel of Wealth.”³ Carnegie’s concept of trusteeship, however, led to personal acts of charity and to the creation of independently endowed private foundations over which he exercised diminishing control.

In contrast, companies that engage in philanthropy generally retain control over their giving programs. These are either managed by separately incorporated foundations whose income and governance is ultimately dependent on the parent corporation, or through operating arms of companies (typically their public affairs departments) that operate under the supervision of corporate chains of command. The genuinely altruistic nature of corporate philanthropy should not be under-estimated. But companies that donate to public causes want to maintain sufficient control of the use of funds to ensure that they are achieving altruistic goals approved by senior management and stockholders, and that they are doing so efficiently and with good results.

The Business Case. The business-related aspect of corporate giving is based on the belief that philanthropy can help companies achieve their commercial goals. Companies exist to make a profit, not to do good works. As a result, they are likely to believe they must have a “business case” for their philanthropic choices.

At the very least, businesses believe that good causes embellish corporate images among customers, stockholders, government, and potential critics. The “business case” represents philanthropy as a form of “image marketing.” In addition, many companies believe that corporate giving can help them attract customers and investors to their business sector (such as publishing or telecommunications), their company, and possibly their product lines. It can serve as a form of corporate advertising.

To achieve either the image marketing or more specific advertising goals of philanthropy, companies must ensure that their publics know that they have supported particular causes.

³ “The Gospel of Wealth” was first published as “Wealth,” in *North American Review*, 148, no. 391 (June 1889): 683, 65762.

Anonymity is not a virtue. Companies want recipients to acknowledge publicly their contributions in newsletters, on websites, and in other materials or general information the recipients produce.

Press releases, website acknowledgments, “check-passing” events, and other forms of publicity are also encouraged, though rarely required. In addition, grantees are often encouraged to make information about the corporation’s overall granting program and the projects it supports available through links on their websites. And companies themselves often publicize their own grant programs – although most of them apparently publicize only selected individual grants.

Corporations also sometimes attempt to attach corporate branding to the projects they support. At the very least this includes encouraging grantees to use the corporate logo on materials associated with their grants. It can also involve using the corporate name to identify the activity supported – for example, naming a resource database on literacy The Verizon Literacy Campus. And, in some cases, branding is inherent in the nature of the support provided. For example, to assist grantees, companies may provide some of their products as in-kind support, offer discounts, or organize fundraising activities under their name. Some companies place a much stronger emphasis on branding than others.

In selecting the causes they will support, companies generally pick those they believe will help them make their best business case. In general, these are popular causes that are noncontroversial, visible, and somehow related to the company’s main lines of business. In addition, many companies believe they can enhance their case if the causes they support include employee involvement – an opportunity that often makes it possible for company employees to meet their customers face-to-face at company-sponsored events.

Literacy and the Business Case. For the companies discussed above, literacy fits neatly into this formula. So it is logical that they want to be associated with this educational arena in some way. Literacy attracted a great deal of public attention from the mid-1980s through the mid-1990s. The result of this literacy vogue is that a great many people have some awareness that America has a serious literacy problem. There is no controversy about whether something

should be done to solve it. Moreover, literacy carries virtually no negative associations. It is easily linked, as a root cause or a solution, to many other national problems the public cares about – low levels of educational attainment, health, poverty, economic opportunity, crime, community development, immigration, workforce preparedness, and many more.

Significantly, support for literacy can also give the company high visibility in the community. A great many literacy providers are grassroots organizations with close ties to local leadership structures. These programs, numbering in the thousands and spread throughout the country, provide opportunities for employee involvement through volunteer tutoring, fundraising, and management help.

Finally, at the symbolic level, literacy clearly relates to many business purposes. Literacy is about communications and using printed materials. Hence, support for it is a good fit with the corporate image of telecommunications firms, booksellers, publishers, shippers, and communications companies of all sorts. These are precisely the types of companies that tend to make the largest investments in literacy giving.

This discussion is not hypothetical. According to staff members of Verizon Reads, the decision to establish literacy as that Company's trademark area of corporate giving was the result of a long deliberation process. Verizon began by surveying its customers about the social problems that mattered most to them. The resulting list was fairly long. The staff concluded that inadequate literacy was a key problem underlying most of the issues identified.

Because Verizon is a communications company, the symbolic link to literacy was clear, as was the opportunity for employee involvement. As Verizon developed plans to establish a major presence in the broadband industry, a more specific business link emerged. Advocates of literacy as a corporate cause argued that the future market for broadband will continue to expand only if literacy levels of future customers are high enough to use broadband products. A final factor was the realization that few other corporations were identified in a major way with the literacy cause. Verizon believed that it could become the dominant force in corporate giving in this field, and, by and large, it has achieved that goal, even to the point of having a

prominent role in International Literacy Day activities of the United Nations. The company promotes itself and is widely recognized as “America’s Literacy Champion.”

Other companies have probably engaged in similar analyses in making their business case for literacy. But for some, the business case is not the most compelling argument, as the Dollar General Corporation illustrates. Dollar General has been one of the leadership companies in literacy funding since 1993. As a retailer, it has no strong and obvious connection to literacy, but literacy is “a religion” within the company. Why? Because L. J. Turner, the company’s cofounder, had only a third-grade education and often had to rely on others for assistance in reading and other basic skills during the early part of his business career.

As a communications company, Scripps Howard has an obvious connection to literacy. But in his announcement of the company’s literacy initiative in 1986, the CEO acknowledged that the business case was far less important to him and his board than the realization of the social importance of literacy problems. He cited the social critic Jonathan Kozol, whose popular book *Illiterate America* helped fuel nationwide interest in literacy.

In sum, companies give to literacy for two basic reasons: because they want to be good corporate citizens and to advance their business image through association with a related cause. Neither motive should be underestimated. Given the suitability of literacy for both purposes, the only surprise is that it is not a major focus of giving for more companies.

C. TO WHOM DO THEY GIVE?

In general, the present goal of corporate literacy funding is to increase the number of people served by literacy programs and to improve the quality of service they receive. For these reasons, corporate foundations make grants to local organizations that provide literacy services. They also support national literacy leadership organizations that develop the research, policy, curricular, and funding resources upon which local services depend. Some corporate donors also support local or regional technical assistance and leadership organizations, such as literacy

coalitions (sometimes called councils). Other donors (e.g., Wal-Mart and Scripps Howard) fund local programs exclusively, and still others fund both national and local projects in differing proportion.

Local Support. The logic of supporting local programs is obvious: It may seem to be the most direct route for augmenting the nation's capacity to provide more and better literacy instruction. However, by some estimates, there are as many as 6,000 local literacy programs in the United States, and corporations cannot provide meaningful support to them all. In addition, many programs need essentially the same type of help – e.g., access to better curricula, technical assistance in staff training or management issues, help with fundraising strategies, and information about public policy issues. Thus, corporate foundations that provide funding to national policy, research, and technical assistance organizations and to regional or national literacy councils and coalitions can and do achieve economies of scale from which many local service providers benefit.

Grants to local programs tend to be much smaller than grants to national organizations. For example, Dollar General places a limit of \$15,000 on its local grants; the Scripps Howard limit is \$20,000, and most Wal-Mart grants are on the order of \$1,000. Our examination of corporate grant lists and a survey of local programs (discussed later in this report) indicate that the median level of corporate support for local programs is on the order of \$5,000 to \$15,000 per grant. The same sources indicate that corporate giving is scaled somewhat to the budgets of local programs. Not surprisingly, larger programs tend to receive somewhat more support than smaller programs.

By far, the majority of corporate funding and most grants for literacy go to local programs. More than two-thirds of Verizon and Dollar General expenditures, and almost all funding from Wal-Mart, Starbucks, Hastings, and Scripps Howard, is earmarked for this purpose. Moreover, a nontrivial amount of funding for national organizations actually consists of funds to purchase books or other materials (as well as in-kind donations) that these organizations directly distribute to local programs.

Although corporate foundations support all kinds of local programs, most of their funding is directed to groups whose literacy services are not sustained primarily by public funds. Some 80 to 90 percent of all literacy students in the United States are served by LEAs (often called “school boards”) or community colleges that receive almost all of their financial support for literacy from some combination of federal, state, or local government. Corporate donors do occasionally help these providers – either directly or indirectly through literacy coalitions of which they may be members or through national leadership organizations that work with the local providers. But CBOs, libraries, and local literacy coalitions receive the great majority of corporate funding. CBOs are the provider type most likely to be funded.

In many cases, organizations of all three types receive some public funding. For example, ProLiteracy estimates that its 1,200 affiliates (mostly CBOs) receive, on average, about half of their funding from public sources. But the types of organizations supported primarily by corporate donors are heavily dependant on private funding; corporate donations are one source of this support. Local businesses, United Ways, and individual donors are other major sources of private support for them in contrast to government funding.

National Support. There are relatively few national leadership organizations in the adult literacy field. Most of them receive at least some support from corporations. The grants they get tend to be significantly larger than grants awarded to local programs. National organizations differ in the types of literacy service they support, the form their support takes, and their size. The larger organizations (in terms of their budgets) and those that provide the most direct service to local programs receive the greatest number of corporate grants and the largest amount of total grant funding. Because they are large enough to support marketing efforts, larger organizations also are the most likely to receive funding from companies that do not otherwise support literacy projects.

By far the largest national literacy leadership organizations are the NCFL and ProLiteracy Worldwide. Both have budgets in excess of \$10 million per year, both meet the criterion for providing a significant amount of service to distinctive types of local organizations (family literacy programs and CBOs, respectively), and both receive many more grants and larger

amounts of funding from corporations than do other leadership organizations, although all of the leadership organizations are important. About one-third of the NCFL's budget is supported by corporations. ProLiteracy's 2004 annual report indicates that about half its total revenues, from sources other than publishing, was derived from foundation and corporate grants, and the overwhelming majority of these were corporate.

Other national organizations that have received corporate funding are Literacy USA (which provides services to local/regional literacy coalitions on a national basis), the ALA's Office of Literacy Services, CAAL, and, more recently, the National Coalition for Literacy. COABE (the Commission on Adult Basic Education, the leading professional membership organization in the literacy field) and NCSALL (the National Center for the Study of Adult Learning and Literacy, one of the leading academic centers for literacy research) also report small amounts of corporate support.

Because corporate donors do not always distinguish clearly between their support for adult and family literacy and their support of literacy programs that benefit children, it is difficult to determine the exact amount they contribute to national organizations. Leaving aside the large contribution Toyota makes to the NCFL, the amount is almost certainly well below \$10 million per year.

In sum, corporations tend to support local literacy groups that are dependent on private sources of funding (CBOs, libraries, and literacy coalitions) and the national leadership organizations that most directly provide the local providers with operational assistance. They also provide *some* support for research, policy development, and building national literacy awareness. This emphasis is discussed further below.

D. HOW DO THEY GIVE?

The procedures corporate donors use to fund local programs differ somewhat from their procedures for national leadership activities. Moreover, some corporate supporters of literacy

provide services or in-kind contributions, either in whole or in part, and their procedures for making these types of contributions differ from their grantmaking procedures.

Local Funding Is Decentralized. The local funding activities of most companies that make relatively large investments in literacy are decentralized. In most cases, local operating units determine which programs should be funded – within guidelines set by the national corporate foundation or another national office responsible for corporate giving. These companies explain that they believe local managers are better able than national staff to identify and evaluate which local programs merit support.

The Verizon Foundation has allocated a certain amount for literacy giving to each of its regional or state offices. But the final funding decisions are made by regional or state public policy and external affairs officers. In this way, Verizon awards more than 1,000 local literacy grants every year.

The Wal-Mart /SAM'S CLUB Foundation allocates a small amount to each of the Company's operating units (e.g., stores, warehouses) for local philanthropy. It stipulates that a portion of these funds must be used for a number of specified causes. One of those causes is adult literacy. Although Wal-Mart writes the checks for local programs nominated by its managers, the decisions about which programs to fund are made locally. Wal-Mart awards more than 2,000 small grants (on the order of \$1,000 or less) to local literacy organizations each year.

The selection of literacy grantees by Scripps Howard is also decentralized. The Scripps Howard Foundation makes larger local grants (up to \$20,000) than most national corporations do. It also places great emphasis on encouraging managers of its local operations to be actively involved in the literacy organizations it funds. In some cases, the involvement of local managers is extensive. They serve on the boards of literacy organizations, provide assistance with management and fundraising, publicize literacy, encourage employees to volunteer as tutors, and provide in-kind contributions. The value of this corporate involvement at the local level may well exceed the value of cash support.

In contrast, the Dollar General Foundation manages most of its local giving centrally. Dollar General issues an open request for proposal (RFP). Any local program can apply by filling out a fairly detailed form that describes their specific request and gives information about the program itself. Both the application form and Dollar General's grantmaking guidelines – including the Foundation's goals in supporting literacy and the types of programs eligible for support – are available on the Internet or by other means from the Foundation. Grant amounts are limited to \$15,000 per program. In most cases, programs can receive support for only two consecutive years. National foundation staff evaluate more than 1,000 requests per year from the open RFP, present their recommendations to the Foundation's board, and award more than 200 grants. In some cases, evaluations include requests for additional information and site visits. Overall, Dollar General's local grantmaking program more closely approximates the private foundation procedures than those of companies with a continuing commitment to literacy.

Whether local grantmaking is centrally managed or not, the evaluation criteria of corporate foundations appear to be very much the same – at least in general terms. They include common sense indicators, such as the likely benefit of the project proposed, the effectiveness of the organization that requests funding, the need for support, and sometimes whether or not the project is innovative, both for the organization proposing it and for the literacy field as a whole. To obtain funding, programs must be tax-exempt 501(c)3 organizations.

It is unclear from either corporate statements of eligibility or from grantmaking patterns whether companies prefer applicants whose proposals are related to their lines of business. Our analysis of local grantmaking (p. 48) suggests that this may occur to some extent – either purposely or inadvertently. For example, telecommunications firms seem more likely to fund projects that entail the use of information technology.

An important difference between centralized and decentralized grantmaking processes is that the point of contact for local programs seeking support must be understood. In the case of centralized grantmaking operations, the point of contact is the corporate giving office; in the case of decentralized operations, it is a local manager.

National Funding is Centralized. Most corporate giving programs have centralized national management. The corporate giving office staff evaluates proposals, and these proposals receive far more extensive evaluation than local grant applications. In addition, at the national level, corporations often play a more proactive role in developing some of the grants for the organizations they support. It is not unusual for corporate giving staff to form working relationships with actual or potential grantees (which was the case in this study). A good number of these relationships continue over many years. For example, Verizon has identified 17 national organizations as Verizon national partners (see Figure 2 below). Verizon has also identified 13 local or statewide organizations as local partners.”

**FIGURE 2. Verizon Literacy Partners
(Based on Verizon Reads Website)**

National Partners

American Foundation for the Blind
American Library Association
ASPIRA
Communities in Schools
First Book
International Literacy Network
Literacy USA
National Center for Family Literacy
National Coalition for Literacy
National Institute for Literacy
Newspaper Association of America
ProLiteracy Worldwide
Reach Out and Read
Reading is Fundamental
Reading Recovery Council of North America
Youth Service America

Local Partners

Dallas Reads
DC LEARNS
Granite State Reads
Iowa Stories 2000
Kentucky Institute for Family Literacy
Maine Reads
Massachusetts Literacy Foundation
New Jersey Reads
New York Reads

Ohio Reads Read Noston Reading Vermont Southern California Reads

Verizon staff work with these partners and other organizations to develop projects that the corporate giving staff and literacy organizations believe will be valuable. In some cases, initial grants reveal the need for further work to address a particular issue, and follow-up grants are awarded. For example, an initial grant was made by Verizon to the ALA's Office of Literacy Services to support design of a standardized system for collecting and reporting information about library literacy programs. It was followed by a grant for further design and field-testing of the system. Likewise, Verizon followed its grant to CAAL in partial support of research on the role of community colleges in adult education with a grant to help implement the results of this research. Verizon has also supported different stages of the development and implementation of ESL and other curricula by ProLiteracy and NCFL.

In addition, working relationships with literacy organizations may result in several groups participating in a project. For example, the Verizon Literacy Campus is a web-based resource of program improvement information jointly managed by ProLiteracy and the NCFL. Working relationships can also lead to multi-foundation support for the missions of literacy organizations. For example, Literacy USA has formed a Corporate Advisory Board of national corporate donors. Members of the board have become familiar with Literacy USA's mission of assisting local literacy coalitions, and they support a variety of specific projects developed by the organization to achieve that mission. Both ProLiteracy and the NCFL have corporate advisory boards that function in a similar way.

For the most part, corporate relationships with national literacy organizations do not constitute commitments for general or continuing support. A few corporations provide general support contributions to national literacy organizations, but these are primarily companies that do not have giving programs dedicated to literacy. Their support is an acknowledgment of literacy as

a good cause, or a cause related to another programmatic area, despite the fact that their major giving programs are focused on other priorities.

Most of the funding that corporations give to national organizations is for specific projects evaluated by corporate staff. From the corporate perspective, a major aim of many partnerships is to encourage creative thinking and become acquainted with good ideas. In addition, as noted, only a very small number of organizations have the mission and expertise to devise and carry out literacy projects on a national scale. As a result, some type of ongoing relationship with the grantee organizations is necessary for corporations that want to support national projects in this field.

Although most corporate giving programs for adult literacy are managed by corporate staff, UPS takes a different approach. The UPS Foundation contracts with an international public relations and management consulting firm, APCO Worldwide, to manage its literacy grantmaking. APCO develops strategic ways that UPS funds might be used to advance literacy and then issues limited RFPs, or it may sometimes work with selected organizations to form the projects for UPS funding. The UPS Foundation's 2004 annual report lists about \$500,000 in grants to national literacy leadership organizations and about an equal amount in grants to local programs.

Services and In-Kind Contributions. Although most corporate literacy support takes the form of money to local or national organizations, a few companies have developed variations on this model. Among the more interesting are IBM, Dollar General, and Pfizer.

IBM's primary contribution to adult literacy is the development and dissemination of a highly sophisticated computerized speech recognition system for ESL instruction. In this system, students read aloud texts of varying degrees of difficulty, and the system corrects their errors as they read words, sentences, or paragraphs – allowing them to try again, and giving various forms of tutorial assistance. IBM invested millions of dollars to create the computer software and texts for this system. Thus far, it has provided the system, training in how to use it, and, in some cases, hardware to more than 100 local ESL programs. The system will soon be available

free on the Internet to all programs. Although IBM provides some cash and other types of in-kind contributions for literacy, this service is its primary contribution at present.

Dollar General's literacy referral system is another interesting model. At the check-out station of every Dollar General store, customers can take information about adult literacy and a form to fill out and submit if they or someone they know needs literacy help. Dollar receives thousands of requests each year. The Company has also provided funding to ProLiteracy, in collaboration with COABE, to help match these requests with local literacy providers. Thus, this Dollar General program is a service that raises the visibility of literacy and provides a direct means of recruiting and placing students.

As noted earlier, some booksellers and publishing firms either contribute books and other printed materials to literacy programs or sponsor book drives, or both. Although many of these efforts focus primarily on providing reading materials to children in their homes, some benefit adults as well. These are important contributions because many local literacy programs have tiny budgets that do not allow them to provide enough textbooks or take-home books to students.

One other noteworthy model is Pfizer's health literacy program. Pfizer supports various activities to improve communication between patients and healthcare providers, but it rarely supports basic literacy instruction. However, it manages its program differently than other companies do in their philanthropic efforts. The Pfizer Foundation does not support Pfizer's health literacy program. Instead, it is an activity of three Company operating divisions – public affairs/government relations, public health, and communications.

Each division devotes staff and budgets to promoting health literacy much as the division would try to achieve its other corporate goals. For example, the staff of public affairs/government relations sponsors and presents research about the benefits of health literacy and how to increase it. It targets government decision makers and works with them to make this field a public priority. Because Pfizer is a large and politically influential corporation, it has many government dealings, and the health literacy staff may benefit from this network

of connections. As a result, this form of corporate advocacy for a public cause may be especially effective.

Staffing. It is important to realize that however they support adult literacy, corporate programs in this field are managed by very small staffs. No more than two or three full-time employees manage even the largest and most diversified programs. Yet, because there are so few sources of support for literacy, because the need for support is so great, and because of significant decreases in the availability of federal funding, corporations identified with literacy receive a large number of proposals. This means that the corporate giving staff has a very heavy workload and there are limits on the number of activities they can undertake and the attention they can give individual proposals, especially those that come in over the transom.

E. CONCLUDING COMMENTS AND ISSUES.

This description of the dimensions of corporate philanthropy for adult literacy raises a number of issues that, in CAAL's judgment, companies and literacy organizations ought to consider, both individually and in candid joint meetings. Among these are:

Issue 1: Adults or Children As a Focus? Without minimizing the importance of improving the reading skills and other educational attainments of children, are investments in children's programs the best use of funds for companies with a commitment to literacy? This is an important question because, each year, public and private agencies devote large amounts to early childhood education, school reading programs, and elementary and secondary education more generally. The amounts dwarf the corporate funding for "literacy" by any definition, and they dwarf total national funding for adult literacy.

Companies that want to make a distinctive contribution to literacy for altruistic reasons might consider whether they should concentrate more of their resources on the inadequately funded adult literacy sector. There are at least as many adults in need of adult education services across the country as there are children under age 16. The December 2005 NAAL report underscores how important adult education services are for our country's future.

In terms of the business case for literacy, companies identified with adult literacy services may find their image more effectively differentiated through giving for adult rather than children's programs. In addition, increasing adults' literacy levels will make them consumers of the products and services these companies provide – such as communications services, published materials, and financial services. And the fastest growing sector of the adult literacy population

– Hispanics – may be a customer base with which companies will want to establish a special relationship.

Issue 2: Local Giving vs. National Giving. The greatest amount of corporate funding for adult literacy consists by far of support for local programs, and many corporations fund literacy exclusively at the local level. Companies should consider whether they have established the right balance between local and national giving.

While each clearly has a positive impact and is essential (as described below), if funding is now earmarked for local service development, a greater emphasis on national giving may achieve economies of scale and provide local programs with services and resources that they cannot realistically develop on the amount of corporate funding they get directly. Companies that fund local programs only may wish to consider whether their local impact would be improved through some increase in national support.

Both types of support meet the business case for literacy. National funding does so in two ways: It increases the visibility of companies nationally, *and* it increases their visibility locally because such support benefits far more local programs than most companies can reach through direct, local donations. However, because most local programs operate on very small budgets, even very small corporate grants can make a big difference to them. Any shift in corporate giving priorities should take this reality into account, and it should be based on research to carefully determine what balance might actually give the corporate donor greater or equal visibility.

Issue 3: Public or Private. The focus of most corporate literacy funding is on several thousand local programs that get most of their funding from nonpublic sources – CBOs, library literacy programs, and local literacy coalitions. Although these organizations may be more “needy” than publicly funded programs – e.g., those managed by LEAs and colleges – need is a relative matter. Regardless of source, funding to support adult literacy programs is inadequate to serve more than a small percentage of the public with limited basic skills. Programs that get most of their support from public sources suffer from the same generic problems as those with a larger private funding base have: both types need (and seek) additional resources to serve more students and to improve the quality of their service – by better curricula, use of technology, stronger management, staff training, outreach, better physical infrastructure, and other means.

On average, public programs tend to be larger. They are likely to offer a wider range of services, and they may be more efficient due to economies of scale. Many also have access to good instructional technology. Public programs serve the majority of adult education students, and companies that support literacy may wish to consider whether a greater investment in some of these programs would contribute to their goals.

Certainly, placing a greater emphasis on public programs would help advance the business case for literacy. Colleges and LEAs are community institutions much like libraries and CBOs, and they often have higher visibility.

Issue 4: Partnerships. One reason that companies tend to focus on programs supported primarily by private sources is that they may want to be associated with the tradition of volunteerism and civic activism, with the “independent” sector of American life. If that is the motivation, they should realize that many publicly supported programs also make extensive use of volunteers and work closely with a variety of community organizations to bring a literacy component to other services those organizations provide – by offering instruction and other literacy-related supports to them.

In practice, this distinction between publicly and privately supported literacy efforts may obscure some of the most salient features about both. Most communities have access to publicly supported literacy services, and many have access to services funded by private sources as well. Partnership and mutual support between the two types of programs can often be key to meeting community literacy needs. Such collaboration often includes an explicit or implicit division of labor in terms of what types of students each can serve best, making referrals, and sharing facilities, curricula, training, staff, and equipment.

In some communities, these and other types of partnerships are alive and well, but in others they need to be stimulated. For example, public providers often contract with CBOs to serve very low level learners through tutoring programs, provision of management assistance, and classroom space and computers. Likewise, CBOs often have ties to the community that public providers lack – particularly among immigrants. They can support public programs both by recruitment and by building systems of instruction that draw on these strengths.

Corporations that prefer to emphasize their commitment to volunteerism and civic activism might wish to consider whether they should give more attention to strengthening these and other types of partnerships that could have a large leverage effect on literacy service in each community. Support for literacy coalitions that bring public and private providers to the table for joint planning is one way to do this. Others include supporting specific innovations that will link curricula, share costs, increase retention across programs, and develop new ways to use volunteers or even paid staff.

Considering the business case for literacy, an emphasis on building partnerships could be beneficial because it would allow companies to be associated with all aspects of the literacy service system at the grass roots level – as well as all the students who benefit from it.

But whether or not they choose to emphasize partnerships, companies committed to literacy should recognize that all kinds of programs have many common needs. Regardless of their *primary* sources of support, virtually all local programs rely heavily on public support. To optimize program reach and policy, they have a common stake in expanding the level of public funding and in improving the policies by which it is distributed. This necessarily means that

support is essential for national, state, and local organizations working to develop public awareness, public policy, research, planning, and the application of knowledge to teaching and learning.

Issue 5. Transparency. As noted above, it is remarkably difficult to obtain information on national corporate giving programs. In literacy, with a few exceptions, their general corporate and foundation websites and their other published materials express their commitment to this field and illustrate *some* of their activities, but they rarely provide many of the details that potential grantees or the general public could reasonably be expected to seek. For example, they seldom reveal the specific goals of their grant programs, the types of projects they support, the amount or range of support they provide, eligibility criteria (beyond tax exemption), grantmaking timetables, decision-making processes, total expenditures, grant lists, or the names of persons responsible for their giving programs in literacy.⁴ In many cases, CAAL found that repeated correspondence and phone calls were required to learn the names of the relevant contact persons.

This lack of transparency is puzzling, given that corporate donors want maximum visibility for their efforts. It may be due, in part, to their desire to keep their options open in terms of the types of projects they support, to reduce the burden on staff, and possibly to just avoid being inundated. But corporate funders have reason to be proud of what they do, and they should consider whether they would benefit from providing more information about their giving for literacy. The problem is that lack of transparency almost certainly creates barriers for potential grant seekers.

As will be explained later, a significant portion of local grantees find it difficult to navigate the grantmaking process due to what they believe is inadequate information, and many worthy organizations at both the national and local levels may be excluded by this difficulty.

Apparently, all philanthropic organizations struggle with the issue of how much transparency is enough. Corporate foundations with a literacy commitment might consider how they can better explain the most salient details of their programs for the benefit of grant seekers and the public.

Issue 6: Expanding Support. Companies that have established adult literacy as a funding priority perform an important public service. But the fact remains that only a handful of companies account for most national giving in this field. Adult literacy desperately needs more support from all sources, including corporate donors. Everyone concerned about the development of this field and its services wants to see more companies make a substantial ongoing commitment to literacy and to see existing donors increase their efforts. The business

⁴ The Foundation Center collects what information it can on corporate foundations and provides it to the public in a printed directory that it offers for sale or online for a fee. The directory provides some guidelines, or giving indicators, for the corporations it lists, but the information is generally a couple of years old and necessarily expressed in very broad terms.

case for literacy, especially adult literacy, appears to be as strong as for any other area of corporate philanthropy.

A great many companies make at least occasional contributions to this cause now – presumably for altruistic and business reasons. It may be that donors and literacy organizations can work together to convert more of these occasional donors into continuing, program supporters. For example, existing leadership companies might be able to help by advocating literacy to their peers. They might also consider supporting the marketing campaigns of national literacy organizations (or coalitions of them) to enable them to make the case for literacy to companies with only a peripheral interest.

A few literacy organizations have the resources to market their programs to a wide range of companies, but most do not. And corporate support for particular organizations seldom translates into substantial support for literacy nationwide. Investments by existing corporate leaders to help the literacy community broaden its donor base could have a large multiplier effect, and it could raise the stature of these donors within the business community.

III. DETERMINING IMPACT

Virtually all companies with a strong literacy commitment realize that the resources they provide are relatively small given the size of the problem. Nevertheless, they frequently want to know whether their contributions are having an impact in terms of improving national literacy levels. They ask whether they are helping to “move the needle” toward a more literate America.

The fact that companies ask this question suggests that the business case for investing in adult literacy is not sufficient by itself to justify their investments. Most corporations that make significant investments support at least some national leadership organizations as well as giving direct support to a substantial number of local programs. Moreover, their investments in business goal terms are either image advertising or more specific promotions, and those goals are almost certainly met as well as they can be; that is, nearly everyone reached by the literacy organizations and programs they support associates them with literacy and in a positive way. This includes thousands of local programs, their staff, hundreds of thousands of students, the families of students, and other community members who learn about corporate support by press coverage of grants, branding on materials, or in other ways.

But it appears that companies not only want to be associated with a good cause in the eyes of millions of Americans, but they want it known that they make a difference to the cause. So, do they move the needle in adult literacy?

The answer depends on precisely how it is understood. *Companies concerned about the impact of their investments will not find meaningful answers unless they recognize that impacts can take several different forms, and unless they specify the type of impact(s) they want their investments to have and how to measure them.* For these purposes, at least four different types of impacts can be distinguished: net effects, learning gains, other tangible outcomes, and input models.

A. NET EFFECT AS AN IMPACT MEASURE

An obvious question that companies ask is whether their investments increase the net level of adult literacy in the United States. Put in those terms, the question probably cannot be answered. One reason is uncertainty about the extent of the nation's literacy problem. Preliminary findings from the NAAL indicate that, on net, literacy levels in the United States are about the same as they were a decade ago.

But it is important to realize that the NAAL survey measured the literacy abilities of *all* adult Americans, and ranked them along a scale of relative ability to perform certain functionally important tasks. It then segmented the population into several levels of ability. However, both the tasks and the levels selected are to an extent arbitrary. Hence, the findings of the NAAL are difficult to interpret for practical purposes. For example, the NAAL in itself does not provide clear evidence of how many Americans would *benefit* from adult literacy service, or even how harmful being at the lowest levels of literacy is in terms of people's personal and economic well-being.

The best that can be said with certainty is that, based on the NAAL, the percent of adult Americans who scored in the lowest levels of the test when it was administered (in 2003) was about the same as the percent who scored at those levels a decade earlier: tens of millions. Beyond that, interpretations of how serious the literacy problems of these low-scoring people are, and whether they require or will pursue literacy instruction, is a matter of judgment. Literacy abilities exist along a continuum, and there is no objective measure of where to draw the line between people who experience serious difficulties because of limited basic skills and those who do not, nor has there been adequate research on this subject. Most experts believe that people scoring very low on the NAAL test clearly have severe literacy problems and would benefit from instruction. But it is important to keep in mind that many other Americans whose literacy skills tested out at higher levels may also suffer serious social or economic problems.

In short, neither the NAAL nor any other study of national literacy levels has established a baseline from which it is possible to determine with absolute certainty how severe the literacy problem is in the United States or whether it has become more or less severe over the years. Immigration patterns and changing demographics make such a determination even harder. Without that baseline, it is not possible to judge whether literacy instruction (supported by corporations or any other sources) has moved the needle in terms of increasing the literacy levels of that portion of the population requiring assistance.

The difficulty of interpreting findings from the NAAL and other surveys of literacy levels arises primarily from the fact that literacy is a relative concept. Depending on their social and economic conditions and aspirations, people scoring at virtually any level on literacy tests may or may not face literacy-related problems. For example, someone seeking to enter college will require much higher levels of certain types of literacy skills than will someone whose literacy needs primarily encompass everyday living tasks. Because “literacy” can best be understood as the ability of people to perform certain basic-skills-related tasks in different contexts, it is misleading to use any single baseline definition of how serious the literacy problem is in the United States, and whether it has improved.

Depending on the social and economic demands they encounter, the number of people in the United States who experience literacy problems may be much greater than the number who register low skill levels on literacy assessments. For example, it is well-known that half of all applicants to community college require remediation in one or more basic skills in order to do college-level work. If this level of literacy is taken as the benchmark for determining how many people have literacy problems, that number is far larger than usually imagined.

It should be recognized that even if overall literacy levels have not improved very much in the last decade, the nation’s adult literacy system cannot be held responsible because literacy levels are affected by a number of factors beyond its control. Obviously, adult literacy levels are affected by the quality of our schools, and data on the improvement of elementary and secondary education paints a very mixed picture. As noted above, adult literacy levels are also

affected by demographic factors. For example, a dramatic rise in the number of immigrants over the last decade has increased the number of people with both low literacy levels and poor English language skills. The death of older generations of Americans who had very limited educational opportunities probably increases the net literacy levels of the remaining population.

It may well be that, given the relatively small amount of public and private funding devoted to adult literacy, the nation's adult education system can at best be expected to reduce the *rate* of increase in the number of adults who need assistance. It would be wrong to trivialize this possibility.

In short, it may be impossible to tell whether corporate (or any other) investments move the needle in terms of increasing the net level of adult literacy, but reducing the *rate* of increase in literacy problems would, by itself, be a substantial achievement.

B. LEARNING GAINS AS AN IMPACT MEASURE

Do adults enrolled in literacy programs experience learning gains? This question is more easily answered. The U.S. Department of Education's National Reporting System (NRS) for adult literacy provides a rough measure of whether and how much adults enrolled in publicly supported programs improve. It finds that a large percentage do advance their literacy levels, although the rate is often slow. At least some of the programs measured by the NRS include CBOs, library-based services, and other programs most commonly supported by corporate donors. Regrettably, many of the smaller programs do not receive public funding, and they often lack the resources to assess learning gains rigorously.

NRS findings about learning gains have a major limitation, however. They capture only gains experienced by individuals within a single year as measured by a limited number of tests. It may be disappointing to find that these gains are often small. But very little research has been done to shed light on how much people learn from enrolling in programs over multiple years. This is unfortunate, because many literacy experts and practitioners at the local level believe

that a significant number of students persist in literacy programs (often with interruptions), and may achieve significant multiyear gains.

Based on NRS and other measures (especially those developed by some states that do not want to rely on the NRS alone), there is no reason to doubt that literacy programs of all kinds bring about basic skills improvement in a significant portion of their students. Companies that want to determine how well the programs they support are doing can, and should, ask for learning gain information, and some do.

Companies should be aware, however, that there is a Catch-22 in such requests. Most of the programs they support have very small budgets, and rigorous assessment of learning gains is expensive. Hence, donors run the risk of placing these small programs “between a rock and a hard place.” Their dilemma is whether to serve more students or divert limited resources to assess those they serve. The problem could be relieved if donors would provide additional support for assessment.

Sampling is a possible solution for companies supporting multiple local literacy programs. Companies could contract for studies of multiyear learning gains of a representative sample of the programs they support. This would allow them to extrapolate the learning gains in the total universe of programs they fund with a known degree of statistical certainty. They could also compare the performance of different types of programs. Likewise, companies that fund national organizations to provide services to increase learning gains could contract for assessments of a sample of programs expected to benefit from these interventions.

If this approach were to be taken, however, the companies should be careful not to over-interpret the data they obtain. Corporate investments are usually only a small part of the investment in literacy programs and they affect only a small part of the programs’ operations. Many other factors determine if learning gains in a particular program increase. Thus, surveys of learning gains can tell companies that they are supporting programs that have good results overall – but the companies cannot usually know whether their investments brought about those results.

C. MORE TANGIBLE IMPACT MEASURES

In the best of circumstances, measures of learning gains are somewhat abstract. They are almost invariably reported as scores on standardized tests, and it is difficult to interpret what real world abilities these tests measure. For example, if a program reports that its students advance, on average, one level based on testing scores, it is hard to know exactly how much difference their improved skills make in their everyday lives. Large learning gains (advancing several levels on tests) have a common sense meaning. They suggest that learners are clearly better able to deal with almost any circumstances requiring literacy abilities. But large increases are rarely reported – in part, for reasons already given: because large learning gains usually occur over a long period of time, and most reporting is on an annual basis.

Thus, companies may wish to consider more tangible measures of their investments. To determine what these might be, companies should examine their own goals. What results do they *expect* particular investments to achieve? Our review of national and local investments by national corporations suggests that, in most cases, they are used or intended to achieve fairly specific outcomes. Among these are increasing the numbers of students served, providing ESL or GED service where it was not available before, and increasing the scope of a program. Corporate grants directed at service delivery aim to increase such outcomes as hours of attendance in programs; amount of time students pursue instruction; number of GEDs awarded; number of students who transition to college, vocational training, or other education; or reaching previously underserved populations.

From the view of literacy professionals, these are all highly important outcomes – and most of these outcomes can readily be measured and reported. Thus, to assess the impact of their investments, companies might sometimes do better to ask programs to report these more unambiguous outcomes.

This approach to impact assessment would be meaningful, however, only if the companies have clear expectations about exactly which outcomes they hope to achieve *and* if they

communicate them clearly to grant recipients. Our research indicates that this often is not the case. Equally important, they should make sure their grantees understand that they *must* report outcomes, exactly what those outcomes are, and in what manner they will be expected to report.

Companies that make a large numbers of grants on a decentralized basis may find this a major challenge. One way to address it might be for the company to develop lists of several possible outcomes it wants to support and specific guidelines for measuring and reporting each one. Individual programs could then select the outcomes appropriate to their particular situation and measurement capacity – i.e., that they believe were affected by the corporate donation – and report the results either to local managers or national staff.

D. LOGIC MODELS AND QUALITY INDICATORS

Many literacy leaders believe that the best way for companies to assess the impact of their literacy investments is to step back from the specific program level. Taken as a whole, the nation's adult literacy system clearly improves the literacy levels of large numbers of adults. Corporations should see their contributions as investments in this overall system. From this perspective, the impact question that should concern them is whether the types of investments they make can reasonably be expected to increase the number of adults served and the quality of service.

To assess this, the kinds of input most likely to improve the literacy service system must be determined. The development of logic models and quality indicators may be an answer; this would be favored by many national literacy leaders.

Logic models are research-based graphic representations of a program's organization and activities, and their relationship to program results.⁵ The notion behind them is to develop research-based criteria, or "quality indicators," for judging what components create effective outcomes in various kinds of programs (e.g., instructional programs, staff training programs, awareness building efforts, and referral services). These criteria can and probably should guide investments by both leadership organizations and corporate donors. The presumption is that programs that meet the standards of well-documented, articulated quality indicators will have successful program outcomes.

Of course, to report on and monitor outcomes in a useful way, it is essential not only to identify the quality indicators the programs have developed and are implementing, but to understand how the indicators differ from program to program. For example, indicators for an instructional program will differ from those appropriate for research, policy development, or staff training.

Many educational areas and other systems use quality indicators for program assessment. For example, in deciding whether to provide support for higher education institutions, donors often rely on whether the institutions have been certified in different fields. Well-developed quality indicators are a form of certification of the organizations, and of the programs that implement those indicators. In addition, logic models meet the common sense test required for reporting outcomes to almost any audience. If the quality indicators are clearly stated, it is easy to grasp how programs with these characteristics will be effective.

E. CONCLUDING COMMENTS

A Few Caveats. It is commendable that companies supporting adult literacy want to understand the impact of their investments. This goal may be elusive, however, due to the

⁵ The Harvard Family Research project website describes a logic model as follows: "It is the basic framework for an evaluation. It is a graphic that describes a program or organization in evaluation terms. It illustrates a program's theory of change, showing how day-to-day activities connect to the results or outcomes the program is trying to achieve. Similar to a flowchart, it lays out program activities and outcomes using boxes, and, using arrows to connect the boxes, shows how the activities and outcomes connect with one another. Developing a logic model should be one of the first steps in an evaluation. Once the model is completed, the evaluation can be designed to determine whether the program is working as shown in the logic model. The logic model can also become a tool for learning when evaluation data are applied directly to the model. A logic model can be created by anyone with knowledge of the program or organization that is to be evaluated..."

different kinds of impacts in which they are interested and the difficulties of measuring most of them. As indicated, the question of whether companies have a net impact on national literacy levels probably cannot be answered, but corporate donors certainly can obtain better information than they now get on the learning gains achieved by local programs and other less ambiguous outcomes.

To obtain this information, they may need to invest considerably more in the evaluation components of their literacy efforts – especially in cases where the organizational purpose is to provide instructional services to learners. And they will need to communicate more clearly to grantees about their investment goals and expectations.

This needs to be done with great care, however. While clearly expressing output measures is desirable, there are two dangers: One is that the information collected from grantee organizations could provide the companies with a great deal of data that is difficult to interpret or just too cumbersome to manage. The other is that donors may be overly prescriptive, which could have a chilling effect on innovative programs and projects they want to support.

Merit in Collaboration. Companies with limited resources may find that, on balance, their best approach is to work with the literacy field to improve and apply logic models that contain research-based quality indicators. By focusing on the broad goal of improving the nation's adult literacy service system, this partnership approach may offer the best route to generating information that programs can provide without undue organizational wrenching. The emphasis would be on quality rather than quantity.

A few projects to develop logic models and quality indicators are underway, but to reach down to the local program level and to obtain the full benefits for assessing impact will require additional funding support. In particular, further work is needed to better identify the quality indicators and validate their importance by research. Because corporate donors and grantees have a shared interest in developing better impact measures, companies might do well to form collaborative relationships with literacy leadership organizations and researchers to map out the most effective plan of action. It should be noted that a large and coherent body of

research on what works in literacy already exists and could be tapped for this collective effort. This kind of developmental work would be a major undertaking, but it is one worthy of corporate investment.

Corporate Giving: Distinctive and Indispensable. Corporate donors do not need to await major evolutions in measurement systems, however, before taking steps to assess the impact of their grantmaking. We already know enough about the contributions companies make to improve the nation's adult literacy system and about the effects of those contributions to identify at least some of the important impacts. Although it would be desirable to have much more impact information about particular investments and corporate giving programs, a reasonable amount of evidence exists about the impact of corporate philanthropy in the aggregate. From the evidence accumulated in this study, it is clear that corporate philanthropy makes an indispensable and distinctive contribution to America's adult literacy system. The following sections of our report examine how this occurs at the national and local levels.

IV. NATIONAL INVESTMENTS

Corporations make an essential contribution to adult literacy through their support of national leadership organizations. This is high-impact philanthropy with a large multiplier effect in terms of the numbers of programs and students that benefit.

A. NEED FOR NATIONAL LEADERSHIP

National leadership organizations play an indispensable role in any area of education. They function to improve program quality and access in various ways – through technical assistance services; sharing information and materials among practitioners; sponsoring or encouraging innovation; establishing standards for best practices; conducting research, analysis, policy, and resource development; strengthening national and state advocacy; and serving as the communications voice to government and the general public. Simply put, they are the key forces for building and sustaining the environment and tools that service providers and planners need to operate effectively and have good community outreach.

The national infrastructure to perform these vital functions in adult literacy has always been fragile for several reasons: For one thing, funding for adult literacy in the United States is grossly inadequate at all levels, given the scale of the upgrading challenge we face. For another, the importance of the national leadership role is often not fully appreciated – i.e., due to the broader nature of the organizations’ work, they are often a harder sell with funders than local services that reach students directly. In addition, national organizations that serve local providers and planners usually try not to draw funds away from those programs, which already lack resources. It is a delicate balancing act.

Moreover, the majority of funding for adult literacy comes from state or national government sources. Although this funding usually includes small amounts for “program improvement” or “leadership” activities, in practice these funds must be used for purposes that support basic operations – such as ongoing teacher training and program monitoring. In any event, most program improvement work supported by government occurs at the local and state levels,

not the national level. And these efforts, which operate in isolation from one another, rarely focus on the types of literacy organizations that corporate donors tend to support – CBOs, libraries, and literacy coalitions.

Although some federal funding supports adult literacy research, the number of projects supported is quite small. The National Institute for Literacy (NIFL), a federally funded institution established in 1991 to perform an interdepartmental federal leadership role, has funded some work, but it has always had relatively small annual appropriations and until now a limited program. On the other hand, the National Adult Education Professional Development Consortium (NAEPDC) is a notably productive federal investment. With an eye on federal legislation, NAEPDC promotes collaboration among state adult education directors to bring about program improvement, especially in managerial functions.

B. LITERACY LEADERSHIP

Despite a paucity of financial support and lack of a robust national infrastructure, a number of national leadership organizations have emerged over the years. Most of them have already been mentioned in this report and each focuses primarily on a different sector or function of the literacy field:

- **The American Library Association (ALA)**, through its Office of Literacy Services, provides technical assistance and encourages the literacy efforts of America's public libraries. (Chicago, IL)
- **The Commission on Adult Basic Education (COABE)** is the principle individual membership organization for literacy professionals. (Tazewell, TN)
- **The Council for Advancement of Adult Literacy (CAAL)** specializes in research on public policy, strengthening the institutional infrastructure of the literacy field, and implementing its research findings to improve and expand the reach and quality of literacy service. (New York, NY)
- **Literacy USA** provides technical assistance and small amounts of funding to local and urban literacy coalitions. (Houston, TX)
- **The National Center for Family Literacy (NCFL)** has developed and maintains a nationwide network of service in family literacy. It is one of two leading sources of

expertise in this area of adult literacy – the other being the Goodling Institute for Family Literacy at Penn State University. (Louisville, KY)

- **The National Coalition for Literacy (NCL)** brings together most of the major national literacy organizations for coordinated action in public policy, research, program improvement, and building public awareness. (Washington, D.C.)
- **The National Center for the Study of Adult Learning and Literacy (NCSALL)** at Harvard University –funded primarily by government sources – conducts basic and applied research on instructional practices. NCSALL is in jeopardy at present due to the likely withdrawal of federal funding. (Cambridge, MA)
- **ProLiteracy Worldwide** was created through a merging of the nation’s two voluntary service organizations, Literacy Volunteers of America and Laubach Literacy. It has long served the needs of local CBOs and voluntary groups. It has also played an active role in publicizing and advocating the literacy cause. (Syracuse, NY)

C. FUNDING PATTERNS

Although all of the leadership organizations named above have received some funding from corporations, most adult literacy funding has flowed to the two largest groups: ProLiteracy and the NCFL. The ALA and Literacy USA rank next in terms of the number of grants and amount of funding they get. From the available evidence, it appears that these four organizations receive 70 to 80 percent of all corporate funding of any kind at the national level. Although grants to other national leadership organizations make up an extremely vital part of their funding, it must be recognized that corporate grantmaking at the national level focuses on a small number of organizations.

Nevertheless, corporate philanthropy has been and continues to be important to organizations that make up adult literacy’s national leadership infrastructure, in the three major ways discussed below.

D. BUILDING LEADERSHIP ORGANIZATIONS

Corporate donations were instrumental in the creation of some of the literacy field’s key national leadership institutions, at least in their present form. By their investments, corporations have provided modest working capital to help these institutions evolve into

sustainable, multifunction leadership organizations that operate on a national scale. The ALA is a case in point. Verizon funding enabled its Office of Literacy Services to develop a substantial presence in the field. The NCFLE is another example. Toyota launched NCFLE as a major force for building the field of family literacy. In a similar fashion, corporate donations allowed Literacy USA to move beyond an alliance of literacy coalitions to become a major source of technical assistance and innovation. And support from Verizon has been the key financial ingredient in helping the NCFLE evolve from an informal network of national organizations that met periodically solely for informational purposes into an important leadership force. NCFLE is not yet a financially solid entity, but it is a much-needed 501(c)3 organization with growing potential. NCFLE, with the help of a small core paid staff and slate of officers, is active, even proactive, in national policy and program development. The fact that it can draw on the strength of its members is a big plus as well.

The leaders of these organizations believe that only corporate philanthropy could have provided the funding required to take the large leaps they have made to date in institutional development. Neither private foundations nor the federal government have ever had programs to provide this kind of support. In short, corporate foundations have provided a critically important service by expanding and strengthening the nation's national literacy leadership structure. Strategic investments for these purposes have allowed these organizations to turn the corner from the early stages of their development to become vital, sustainable national forces in the literacy field.

E. SUSTAINING LEADERSHIP

As noted above, a significant number of corporations make occasional grants for literacy, and many of these provide either general support or funds for core programmatic functions of most national organizations. For example, eight companies make cash contributions to ProLiteracy's Book Scholarship Fund. A significant portion of the approximately \$8 million to \$10 million in total corporate funding received by national leadership organizations takes this form. However, this is *not* the primary function performed by corporations that have large, systematic giving programs for literacy at the national level.

As noted, national leadership organizations are constantly challenged to find the resources they need to perform their roles. They are usually supported by some combination of member contributions, fees for materials and services, contracts, grants from private foundations, and corporate donations. They would not be able to provide essential services in an effective way on a national scale without support from all these sources. Even modest donations from companies that do not have a primary focus on literacy have a large impact on their work.

F. INNOVATION

Probably the most distinctive impact of corporate giving for literacy is that it supports innovation and the diffusion of innovation in adult education. Through their philanthropic activities, companies help national leadership organizations find new and better ways for the literacy field to improve both the quantity and quality of service. And they also spread innovation by helping national groups build the capacity to help local constituent programs adopt new ideas. It is significant that most of the funding that national leadership organizations get for innovation comes from those corporations that have continuing programs focused specifically on literacy at the national level.

In fact, *national leaders consulted in this study believe that support for innovation is the greatest value added by corporate philanthropy.* They consider corporate support for innovation in literacy indispensable, because it is the only flexible source to which their organizations can turn for funding new ideas and services, and/or to improve existing service systems. This role in fostering and sustaining innovation will be discussed in detail below.

Directions of Innovation. Some examples of innovation supported in recent years by corporate giving are:

- **New curricula or instructional approaches.** Corporate funds have helped NCFL develop and disseminate a unique set of instructional materials that connect parents and children with limited English proficiency for the purpose of language development. This project, as well as a number of other company-sponsored projects, helps meet the pressing need for better ESL instruction, a challenge driven by the increasing number of low-literacy immigrants in the United States. Corporate support has also enabled ProLiteracy to develop and disseminate models for high-intensity

instruction by CBOs and other programs. The project focuses on the need for adults, who typically have limited time to participate in literacy programs, to progress as rapidly as possible. (IBM's voice recognition software project, although not managed through leadership organizations, makes an important contribution to this cause.)

- **New directions in professional development.** The Verizon/ProLiteracy Volunteer and Capacity Building Project has developed new approaches to mobilizing, training, and using volunteers and building community support for local programs. Corporate support has also helped Literacy USA launch a program to assist local literacy coalitions with board development – a function that is difficult for all nonprofit organizations, yet essential to their long-term sustainability.
- **New management/accountability systems.** With corporate funding, the ALA is in the process of developing a Library Literacy Assessment Platform that will provide libraries and other local programs with a standardized Internet-based format for reporting information about their programs, services, adult learners, and funding sources. Among the types of learner information it will capture are learner goals, skill attainments, and behavioral changes. The platform will be an invaluable tool for program self-assessment and reporting to funding sources. With funding from other sources, Literacy USA is developing a logic model for documenting and assessing the performance of literacy coalitions that will accomplish many of the same purposes. Management and accountability tools of such high sophistication have not previously been available in any area of the literacy field.
- **New staff development systems.** The Verizon Literacy Campus, jointly managed by ProLiteracy and NCFL, is an Internet-based system that provides a wide range of information, on-line courses, and other training materials to help programs recruit, train, and manage volunteers. Other corporate grants have supported extensive staff development activities by virtually all of the literacy leadership agencies that are membership organizations of the Campus.
- **New directions for system building/expanding the reach of literacy.** Corporate funding (especially from Verizon) was an important component of CAAL's research on strengthening the links between community colleges and adult literacy programs, a goal that is essential for the students, the colleges, and the nation as it competes in the global marketplace.⁶ This work emphasizes how larger numbers of adult literacy students can make the transition to college. Corporate support has also been essential in CAAL's efforts to work with educational leadership groups, states, and colleges to increase transition rates. To give another example, the ALA's BuildLiteracy.org website includes a toolkit that helps libraries build or enhance their capacities to offer literacy services.

⁶ See *TO ENSURE AMERICA'S FUTURE: Building a National Opportunity System for Adults*, Council for Advancement of Adult Literacy, February 2005. Available in PDF form from CAAL's website at www.caalusa.org.

- **New recruitment tools.** Dollar General Corporation's national literacy referral system, managed by ProLiteracy and COABE, matches people seeking literacy assistance with local programs across the country. America's Literacy Directory is a computer-based system – managed by the National Institute for Literacy and funded by foundations – that allows people to locate providers of various types of literacy service within their communities. Both systems give structure to a previously haphazard approach to connecting people who want to improve their literacy skills to programs that can help them.
- **New resources for public information/awareness.** With corporate support, the NCL was able to play an important role in disseminating the findings of the federal NAAL issued in 2005. The findings are significant in their own right, but the report is probably one of the most important opportunities in a decade to raise public awareness of the adult literacy problem and the organizations that address it. On another front, in conjunction with both national and local literacy organizations, Verizon sponsors the Verizon Literacy Champions program. This unique approach to awareness building and fundraising pairs celebrities to literacy causes through special events and ongoing promotions.

These examples illustrate how corporations have supported innovation in the national literacy service system. Every one of these investments is strategically important and has a large multiplier effect that builds on the existing strengths of the grantee organizations. Some of them are also one-time investments that create self-sustaining systems and bring about lasting change.

Technology for Literacy. Notably, many of the aforementioned projects rely heavily on information technology – computers and telecommunications. Not only does this increase the reach of the projects, but it is also a tool for improving management, staff development, instruction, and other activities. Many local literacy programs have been slow to explore the full benefits of technology, however – in part for budgetary reasons and in part because of uncertainty about which computer and telecommunications applications will be most beneficial. National leadership projects play a key role in supporting and demonstrating the benefits of technology for literacy.

G. PARTNERSHIPS AND FUNDING FOR INNOVATION

It takes considerable insight into how America's literacy system works to identify the need for the kinds of innovations discussed above and to devise ways to help meet them. By working in partnership, corporate donors and literacy leadership organizations have developed a remarkable array of new tools for addressing the nation's literacy problem. These tools are available to literacy providers and/or students everywhere. Without this partnership, most of these tools would not have been developed, and the literacy service system would not have moved forward in essential ways.

Collaboration has prompted both the leadership organizations and corporate donors to stretch their imaginations, and their mutual interactions have often been helpful to both. Leaders of national organizations say that the hard questions asked by corporate donors can motivate them to improve not only their specific proposals, but also their thinking about new program directions.

Despite the great importance of funding for innovation, not many corporate donors emphasize this type of grantmaking. One exception, Verizon, dedicates on the order of 70 percent of total funding for this purpose. Dollar General and UPS appear to be the second largest funders in terms of cash donations, though IBM's investment in the development and dissemination of its Reading Recognition program has been very large. A few other national corporations occasionally make grants for national innovation, but most corporate donors do not support this essential function at all.

H. CONCLUDING COMMENTS AND ISSUES

Issue 1: Institution Building. Corporate philanthropy has played an important role in building the nation's infrastructure of literacy leadership groups. Corporate seed money has helped some organizations attain the scale of operations and develop the management infrastructure required to ensure financial stability and optimize their contribution to improving literacy nationwide. Most importantly, strategic corporate investments have allowed some literacy groups to diversify both their funding sources and the range of services they provide. But these types of investments have been limited to a fairly small number of national leadership institutions, and, although they have different needs and potential, virtually all of

them would benefit from investments of this kind. Too many of these organizations are living from grant to grant. For that reason, many are unable to develop the sound operational and programmatic base needed to provide the full range of services in their specialties.

Like other sources of soft money, corporate donors prefer to support projects rather than institutions; thus their institution-building role has to some extent been inadvertent. Nevertheless, it is a critically important role in adult literacy. Moreover, strengthening leadership institutions is in the interest of the donors themselves because strong organizations plan better activities and produce better products. This may be why such a large percentage of corporate funding flows to the few national organizations that have developed sizeable management systems and achieved financial stability. Strong organizations have the capacity to diversify their funding base. They are, thus, less dependent on any one donor – corporate or otherwise.

For all these reasons, corporate donors should consider whether to be more systematic in their institution-building role. Partnering with at least some literacy organizations is an accepted form of corporate philanthropy. Corporate donors might also consider whether these partnerships should extend to more institutions, and whether they can be open to candid dialogue about what is required to strengthen the institutions for the long term.

More than any other type of donor, corporations should appreciate the importance of adequate capitalization and management systems for organizational success. They may wish to apply this business thinking to help build the national leadership structure the literacy field needs. Investing in leadership *organizations* instead of specific locally directed projects could have a very strong leveraging effect on improving literacy service in America.

Issue 2: Expanding the Leadership Structure. In considering their institution-building options, companies may want to focus attention on aspects of the literacy enterprise where there is presently no recognized source of national leadership. Among the most obvious candidates are English language training (ESL) and technology applications.

ESL is the largest and fastest growing area of adult education service. Many companies committed to literacy have recognized the importance of ESL through grants to various organizations for ESL projects. But there is no recognized national source of expertise in the delivery of ESL service to low-literate adults in the United States. Although there are substantial leadership institutions in the ESL field, their focus is almost exclusively on research in linguistics, teaching English to children, and teaching English overseas. Within the adult education field, expertise on ESL is scattered. There are no good ways to share that expertise, and progress is erratic in both research and improved practice. To meet the imperative for more and better service in this vital area of literacy, this problem needs attention.

Corporate donors most commonly support technology applications on a project basis. Yet, as in the case of ESL, there has been far too little collective learning about the best strategies to pursue. In the case of technology, both leaders and practitioners are faced with a bewildering array of options, and it is almost impossible to know whether they are spending their limited

resources in the best way. Strong national leadership in this field would ensure that both program dollars and corporate investments have the greatest possible impact.

Corporate donors have a special responsibility to consider these and other forms of funding for institution building. Why? Because they are the only possible source of such investments. Neither private foundations nor any level of government has shown interest in building the national literacy leadership infrastructure. Corporate donors have. As a result, perhaps they ought to consider whether this essential role should be a larger part of their giving programs and how to play it in a more systematic way.

From the perspective of the business case for literacy, investments of this sort can have great potential. Establishing centers to perform essential functions in the literacy field may well be one of the best opportunities for high visibility branding that companies will encounter.

Issue 3: Expanding Innovation. By all indications, corporate contributions for innovation add the greatest value of any corporate giving done at the national level, even though most of the investment is accounted for by a small number of donors. There is a long menu of possible high-value investments. But high-impact investments often require multiyear commitments of several hundred thousand dollars. Moreover, when a proposal carries a large budget, multiple funding sources may be needed, and the grantee organization may not be able to craft it completely to the preferences of one donor source. In such cases, there is a need for understanding and reasonable compromise. Finally, the program proposed may sometimes require a project development process, rather than simple approval or rejection of fully formed ideas. Organizations that can create and disseminate innovative practices often lack the working capital to develop their ideas fully or to cast them in a proposal that is suitable for particular companies. Successful investments in innovation usually require a partnership between grantors and grantees to develop high value projects in which both can have confidence (although many companies may have difficulty devoting the staff time required for this type of work).

Because support for innovation at the national level is the indispensable corporate contribution to advancing adult literacy, more companies with a commitment to this field may wish to consider investments of this sort. Their return on investment in terms of corporate visibility will be different, but it may well be as productive as other investment options. Verizon has established its reputation as America's literacy champion to a significant extent by its funding for innovation.

Investments in innovation at the national level require a different type of staff work from other forms of grantmaking, but this need not be a deterrent. To address this problem, UPS has contracted out its national giving for literacy. Other companies with small corporate giving staffs may wish to consider enlisting the assistance of either nonprofit or for-profit intermediaries in a similar way.

V. LOCAL INVESTMENTS

Although most corporate adult literacy funding goes to local programs, very little comprehensive information exists on the dimensions and impact of this type of giving. Corporate donors and others sometimes publicize the accomplishments of a few local programs, but they rarely describe the nature and extent of their local investments as a whole.

A. THE CAAL SURVEY

As a first step toward mapping the impact of corporate investments in local literacy programs, CAAL contracted with Transition Assistance Programs, Inc. (TAP) of Philadelphia to conduct a web-based survey of about 3,000 local programs in the fall of 2005. The purpose of the survey was to determine:

- The amount and sources of literacy program funding.
- Differences in funding patterns as a function of program size and type.
- The impact of funding on literacy service.
- Local use of services provided by national literacy organizations.
- Funding characteristics of a selected group of corporate donors.

CAAL selected a web-based survey because of funding constraints. Conducting this survey was a challenge, however, primarily because there is no comprehensive listing of e-mail addresses for local literacy programs or their managers. As a result, with their cooperation, we used the affiliate and membership e-mail lists of four study participant organizations: ALA, COABE, Literacy USA, and ProLiteracy.

For Literacy USA and the ALA, we used a “snowball sampling” method. The survey was passed through their literacy provider networks so as to increase the breadth of the sample. Because of this snowball sampling, it is impossible to know exactly how many programs received the survey, though it is reasonable to assume that several thousand programs did.

Screening items were inserted into the survey to avoid duplicate responses from the same groups.

A total of 862 individuals responded to the survey, and 650 completed all or most of the questions. The respondent sample represented equally programs with small and large literacy budgets. Medium-sized programs had the smallest representation. Respondents from urban, suburban, and rural areas were well represented in the sample. Also, programs from all geographical regions responded to the survey, California and New York having the highest rates.

Respondents were evenly distributed among libraries, CBOs, and community colleges/LEAs, with fewer responses from local literacy coalitions due to the smaller numbers of these organizations. Because the survey relied on lists from organizations that do not primarily serve publicly funded programs, however, the sample and the responses over-represented CBOs, libraries, and literacy coalitions. These sampling and response biases were intentional; these are the types of literacy providers most commonly funded by corporate foundations. Accordingly, analyses were primarily of these three provider types.

With its limited resources, CAAL was unable to validate the sample or response rates as fully as desired. However, it appears that the relative numbers of respondent CBOs, literacy coalitions, and library literacy programs, and many of the program characteristics they reported (such as budget size and services provided), correspond fairly well to estimates of their leadership organizations. Likewise, findings about the relative number and size of programs, and of programs funded by different corporate donors at differing grant levels, corresponds roughly to the corporation reports.

The survey may have a bias of over-representing recipients of national corporate funding, but that bias may not be great considering that only one-third of respondents who identified their sources of support said that they received funding from national corporate sources. According to our data analysis, libraries were less likely to report corporate funding than the other provider types. Moreover, the percent of CBOs, literacy coalitions, and library literacy

programs that reported receiving corporate support is about the same as estimates derived from a review of national corporate grant lists and from the estimates of several national organizations.

In short, although CAAL's survey findings are not definitive, they probably present a fairly accurate picture of corporate funding for local adult literacy programs, in its general dimensions if not at a fine level of detail. The survey is truly a groundbreaking effort, and its findings provide the best overall picture of the impact of local corporate philanthropy for literacy currently available.

The following analysis is drawn from the survey findings,⁷ and on supporting data from national leadership companies and corporate donors.

B. THE REACH OF FUNDING

As noted above, about one third of *all* respondents who identified their funding sources reported receiving funds from national corporations. But a far larger percentage of the provider types targeted by corporate philanthropy – CBOs, literacy coalitions, and libraries – reported funding from these sources. More than half of CBOs and about the same percent of literacy coalitions reported corporate support. Only about 25 percent of libraries reported donations from corporations, which exceeds the percentage of publicly supported respondents (LEAs and colleges) that receive corporate support. These percentages correspond generally with the number of local grants and types of organizational support reported by national corporate donors.

These findings indicate that national corporate donors reach a large percentage of the nation's local CBOs and literacy coalitions with some level of funding, but they reach a smaller percentage of libraries that provide literacy services.

⁷ The survey findings were relayed in a private TAP report to CAAL and subjected to analysis and interpretation by CAAL and TAP staff.

One reason libraries are less likely to receive support may be that library literacy programs tend to be smaller than those of other provider types. The significance of program size is explained below. Another reason may be that libraries are less likely to provide direct literacy instruction. That is, a significant number of library respondents indicated that they act as community resources for literacy, by providing information, referrals, instructional materials, computers, and meeting space for literacy classes. But, in many cases, instruction is managed by some other organization, such as the voluntary programs of ProLiteracy. Obviously, the resources libraries bring to improving literacy are extremely important to the national system of service provision and to the capacity of local service programs. But corporate funders are more likely to support instructional programs directly.

C. FISCAL IMPACT

One measure of the impact of corporate funding for local programs is the percentage of the programs' budgets that the funding covers. The median size of grants from corporate givers or local branches of national companies to CBOs and literacy coalitions was \$5,000 to \$15,000. The median size of the budgets of these organizations was \$50,000 to \$100,000. The median for library literacy services on both variables was considerably smaller.

As a result, at the median, national corporate philanthropy may contribute as much as 10 to 15 percent annually of the total funding of the CBOs and literacy coalitions that receive corporate support. Of course, medians can be misleading. Smaller CBOs and literacy coalitions (those below the median), as well as libraries, tended to receive smaller total amounts of funding from corporations, but these funds comprised a larger percentage of their budgets. Large organizations of all types (above the median) tended to get larger total funding and larger percentages of their budgets from corporate sources. However, response bias in the survey as well as reports from a few very large programs could have skewed findings to exaggerate the comparative funding levels of larger programs.

To put these findings in perspective, a considerably larger percentage of CBOs and literacy coalitions reported receiving funds from local United Ways, local businesses, and individual

donors than from national corporations. For example, 72 percent of CBOs reported donations from local businesses, 81 percent from local United Ways, and 91 percent from individual donors. Literacy coalitions reported similar percentages. Far smaller percentages of library literacy programs reported support from any of these sources. The median amount of funding from local businesses and individual donors was slightly lower than the median from national corporate sources, although the median from local United Ways was about the same.

All provider types receive funding from sources other than those discussed in this report. In most cases, these are probably public sources or host organizations (e.g., the libraries that sponsor literacy programs may provide them with support). It is important to recognize that very few literacy programs of any type are freestanding institutions. Most operate under the aegis of some other institution (e.g., a church, a social service agency, a college, a correctional institution, or a public education system). Our survey suggests that direct and indirect funding from host institutions may be an important form of support for local literacy programs, but the survey could not determine the extent of this support.

The conclusion to be drawn from these comparisons is that national corporate donors provide highly significant support for a large percentage of the literacy organizations they target locally. For the programs they support, their funding appears to be at least as important as the funding from local businesses, United Ways, or individual donors. However, in general, local programs are less likely to receive funds from national corporations than from these other sources. It is also important to note that, depending on the size of the funded program, the amount and budget percentages they receive varies considerably among the different sources. National funding, including national corporate funding, comprises a far larger percentage of the budgets of large programs – both in absolute terms and compared to other funding sources – than it does of very small programs.

The sheer budgetary impact of corporate giving on local programs is, therefore, significant, both in absolute terms and relative to other sources. Virtually all recipients of corporate funds indicated that they are “very important” or “somewhat important” sources of support.

D. USE OF FUNDS

The way national corporate funds are used is also significant. Local programs may consider grants from national corporations to be a less reliable funding stream than support from local businesses, United Ways, and individual donors. This is because national corporate funding may be available for only a few years, whereas funding from these other sources may be available over the longer term. If so, it might be reasonable to expect that national grants are more apt to be used for one-time investments than for continuing operations.

Use of Corporate Funds in the Aggregate. With one important exception, however, the CAAL survey did not find these differences – at least if corporate funding is considered in the aggregate. Local programs report that they are most likely to use funding from all sources for program improvement purposes – i.e., innovating in instruction and program design, providing new services, and improving curriculum or assessment; purchase of books or equipment (particularly computers); or public outreach. They are much less likely to use funds from any of the sources identified to increase the number of paid or unpaid staff, or to increase salaries.

Interestingly, respondents indicate that they use funding from all sources to increase the number of students they serve. A logical interpretation of these responses is that local programs, regardless of funding source, use their donations primarily to improve program quality and effectiveness, and they believe that these improvements lead to more and better service. On the whole, they use corporate donations just as they do donations from other sources to achieve these goals.

An important exception in contrast to donations from other sources, they were more likely to use corporate funding to provide *certain types of services* (such as GED preparation, ESL, or health literacy) that would be unavailable otherwise. This exception is important because most of the provider organizations funded by corporations (CBOs and libraries) reported that they are not full-service programs. Less than half of CBOs and a smaller percentage of libraries reported that they provide GED and ESL instruction, whereas almost all publicly funded programs (LEAs and colleges) reported that they do. For the most part, CBOs and libraries

reported that they provide only ABE services (instruction in reading, writing, and applied math for native speakers of English). These types of programs and the organizations that represent them have sought to expand the range of their offerings for some time. Insofar as funding from national corporations gives them a leg up in these efforts, it may be making an important contribution to expanding the literacy services available in particular communities.

Donor Differences. A somewhat different picture of corporate funding use emerges when we compare the giving programs of different companies. Fund use differs in important ways from company to company, perhaps representing differences in the priorities of the corporate donors. Because of the small sample size of the CAAL survey, these findings should be viewed with some caution, but the most striking differences are at least cause for reflection and further research.

Based on the survey's results, the most common use of Verizon funds has been the purchase of computer hardware and software and for curriculum or other program development. The most common use of Dollar General funds has been the purchase of books, followed by staff wages, curriculum development, recruiting and placing learners, and increasing the number of volunteers. Funds from Wal-Mart, Scripps Howard, and Starbucks were most likely to be considered general support grants or were used for book purchases and public outreach. IBM support was most likely to be used for the purchase of equipment and computer hardware and software.

Compared to support from other corporate sources, Verizon and Dollar General funds have more often been used to increase the number of students served and the number of volunteers; Verizon funds have more often been used for awareness building and advocacy.

In short, although the use of corporate donations by programs may be much the same as for other donors if corporate funding is considered in the aggregate, different corporate giving programs appear to have different impacts at the local program level. Some have a far greater impact on increasing the use of technology and curriculum and program development than others. Some are more likely to be regarded as general support or to meet fundamental

operating needs such as the purchase of books and increasing the number of tutors. Some are more heavily weighted toward improving program quality and infrastructure, and others toward increasing the number of students served.

In at least some cases, these differences can be identified with the actual or possible goals of corporate donors. For example, both Verizon and IBM are telecommunications companies with a special interest in fostering the use of technology for literacy. As a result, it should not be surprising that their funds are more likely to be used for this purpose than the funds of other corporate donors. In contrast, most of the giving of Wal-Mart and Starbucks takes the form of small donations for general support, and it is used in this way.

E. IN-KIND CONTRIBUTIONS AND SERVICES

The survey indicates that a majority of CBOs and literacy coalitions, and a smaller percentage of libraries, benefit from noncash contributions from national corporations, whether or not they receive cash support. A majority of CBOs report that they benefit from the referral of corporate employees or other learners for instruction and from the donation of equipment and supplies. About 40 percent of CBOs report that they benefit from companies that encourage their employees to become tutors, help in outreach and publicity campaigns, and assist with fundraising. A majority of literacy coalitions report that they benefit to some extent from all of these in-kind contributions, though only 32 percent report help with fundraising. At least some libraries also report benefiting from in-kind contributions. The most common benefit cited is donation of equipment and supplies (38 percent) followed by referral of literacy students (36 percent) and help in outreach and publicity campaigns (30 percent).

A significant percentage of CBOs and literacy coalitions report that corporate leaders serve on their boards, but only a small percentage of any program type reportedly get management advice from corporations.

This finding is of special interest, because 30 percent of Verizon and IBM grant recipients (although lesser percentages of recipients of grants from other corporate donors) indicate that

they would find it very helpful for the companies to provide a mentor or advisor to help in their programs. By comparison, less than 20 percent of grant recipients from all corporate sources indicate that it would be very useful to have corporate help in project management or program assessment and evaluation.

Clearly, local programs consider the in-kind support corporations provide to be very valuable – particularly donations of equipment and supplies. Because these programs have limited budgets, help with capital expenses can make a great difference in their ability to deliver services. Clearly too, the local programs see corporations as important partners in recruiting or referring people with limited basic skills to literacy programs.

Many companies encourage their employees to volunteer in literacy programs. They will be gratified to learn that employees do in fact volunteer in many communities, and that this assistance is valued. Moreover, companies that delegate to their local managers the selection of programs for funding may find it significant that many of their employees serve on local literacy boards. Where this is the case, corporate giving to local programs is not an arms-length process: local executives make a personal investment in literacy programs and get to know them through their board membership.

When corporate executives serve on local literacy boards, it may create and help sustain corporate cash or in-kind support. It also puts a personal face on corporate commitment to literacy, and it may well bring significant benefits in terms of increased visibility for both the local programs and the companies that support them. Finally, corporate executives can bring special expertise and contacts to local programs. The finding that relatively few local programs are seeking management assistance from companies may be due to the fact that they get it in some form from their corporate board members.

In short, when companies claim that their commitment to literacy is more than financial, that claim may be justified. Moreover, through their support for decentralized decision making, they often show understanding of what can be gained from a hands-on involvement in local programs and from local partnership arrangements. Although the extent to which local

managers are involved in local programs undoubtedly differs, there are indications that this decentralized strategy has merit in many communities and payback at the national level.

F. USING NATIONAL SERVICES AND ORGANIZATIONS

Many corporate-supported national leadership services aim to benefit local literacy programs, and some programs use all of them. But some of the national services most commonly mentioned by both corporate donors and national leadership groups seem to be used much more commonly than others. The most often used services by far are the Dollar General/ProLiteracy student referral service and the Verizon Literacy Campus. About one-third of all respondents indicated that they use one or both of these services, and almost all users rated these services as “very valuable” or “somewhat valuable.” It appears, therefore, that these services are reaching their target audiences and providing needed help to local programs.

Respondents also said that they benefit from the array of services specifically offered by the national leadership organization whose primary purpose is to support and help advance their work. They were asked about only four of these. More than half use the services of ProLiteracy; about one-third use the services of the National Center for Family Literacy. The number of respondents who said they use the services of Literacy USA was about the same as the number of local literacy coalitions that responded to the survey. Surprisingly, 71 respondents indicated that they make use of the services of the National Coalition for Literacy. This suggests that NCL’s reach may extend well beyond its immediate organizational membership (most were not contacted by CAAL’s survey) down to the local program level. This would be a remarkable achievement considering that, as a newly formed national leadership entity, the NCL is still a fledgling institution with only modest financial resources.

In short, corporate investments in national leadership organizations and some of the services they provide appear to be making an important contribution to local programs. Further research would be needed to determine exactly *how* beneficial they are or to understand more fully the impact of the various national literacy leadership organizations. From the evidence available,

however, it appears that corporations do achieve the goal of helping local programs with many, though not all, of their investments in national organizations.

G. VALIDATION

National corporate grantmaking may help local programs in another way. If a local program receives support from a large national corporation, that funding may serve as a “stamp of approval” that validates the program in the eyes of other funding sources and draws support from them. About one-third of programs report that national corporate funding legitimizes their program in this way. Slightly larger percentages claim that support from local businesses and United Ways have this effect. Thus, when it comes to validation, corporate funding plays an important role, but its importance is not greater than the role of local institutions that support literacy.

One conclusion to draw from this fact is that the funding community in most locales is fairly small, and its leaders tend to look to each other for ideas about which causes merit support. Another possible conclusion is that local programs are able to market more intensively to their local funding communities than to national donors. One standard marketing technique is to encourage donors to follow the example of their peers. A final conclusion is that any funding serves to legitimize local programs, and funding from local businesses and United Ways is more common than from national corporations.

H. PROBLEMS IN THE GRANTMAKING PROCESS

Although corporate donors seem to have developed fairly efficient systems for supporting local programs, a significant minority of programs helped by the leading national donors apparently have problems communicating with them. Between 20 and 30 percent of the recipients funded by Verizon, Dollar General, Wal-Mart, Scripps Howard, and Starbucks report that they would have found it very helpful to receive more information about the application and proposal processes, including greater clarity on grant guidelines and eligibility criteria. Almost as large a percentage of the grantees funded by the above sources report that it would help them to

receive more feedback in the proposal process. Interestingly, these findings do not differ significantly according to whether local grantmaking is centralized or decentralized.

The most striking aspect of this finding is that we are speaking about programs that *received* grants. Programs that get no grant support may have an even harder time navigating the grantmaking process. Even in the best of circumstances, many applicants find it difficult to understand how to request a grant from almost any kind of philanthropy. In the interest of improved community relations and improved selection of grantees, corporate donors should consider clarifying their guidelines and procedures. Everyone could benefit if grantmaking is an open, transparent process. Corporations should want to exemplify the same kind of orderly business practices in their philanthropy as they do in their commercial pursuits.

I. CONCLUDING COMMENTS AND ISSUES

Issue 1: The goals of local giving. From the evidence available, local branch giving by national corporations has an important fiscal impact on many local literacy organizations, and they believe it makes an important contribution to their work. On the other hand, neither the fiscal impact of corporate donations nor the value assigned to them seems to be greater than the impact and value of donations from local sources, such as local businesses, United Ways, and individual donors. Moreover, national corporate donations seem to be used in much the same way as contributions from these other sources.

Companies may wish to consider whether this type of impact on local programs meets their goals. Undoubtedly, they help improve the services of many local literacy programs, although the nature of their contributions differs from program to program. This may be adequate justification for the existing patterns of local giving. Certainly it satisfies the business case for literacy by raising corporate visibility at the local level.

However, giving patterns do not presently differentiate strongly between most corporate donors and other local sources of support. Hence, companies may wish to consider if their goals and support for local giving should include a focus on particular types of program improvements – activities that might not be as well supported by other donors. Some companies appear to be doing this now. For example, information technology companies seem to have the goal of improving the use of technology for instruction and program management.

Also, corporate donations may be more likely to expand the range of services offered than funding from other sources. Companies may wish to consider whether these or other specific goals should be more explicit in their local grantmaking, and whether they want to differentiate their contributions in this way. Four benefits might arise from this: (1) Corporate giving staff at

both the national and local levels could develop expertise in particular areas of program improvement and possibly make investments that have a greater impact through a combination of cash and in-kind contributions. (2) The need for and impact of grantmaking at the local level might be easier to assess if it were more targeted. (3) Local programs might have a better idea of what the corporation's giving guidelines are and might do a better job of meeting them. (4) Companies would be identified with certain types of giving, and their visibility as local donors would be enhanced.

If different companies adopted different focus areas at the local level, the net impact of corporate giving might be increased.

In considering this option, companies might want to sponsor research to determine the highest priorities of local programs, and how incremental resources from corporate sources can best meet them. For example, CAAL's survey finds that relatively little grant funding supports fundraising or awareness building, and it suggests promising approaches corporations might take. Because virtually all programs need all sorts of additional funding, and because no one source is likely to meet most of their needs, helping programs enlarge and diversify their funding bases may be as valuable over the long term as investments in curriculum or technology.

Companies that prefer not to focus their local giving goals more narrowly might want to consider whether those goals are sufficiently well defined and what the alternatives to existing patterns might be.

Issue 2: Services and organizations. In considering their goals for local giving, companies may choose to focus on *either* supporting services *or* building organizations. The primary effect of most corporate philanthropy at the local level now is to help improve quality and quantity of services by strengthening instructional techniques, curriculum, program design, and expansion of services, as well as to acquire assets (such as books and computers) that will support these and other improvements. In other words, the current emphasis in corporate giving is to make the services of local programs better than they could otherwise be.

This is a worthwhile contribution. However, with their own limited resources, there are severe constraints on how much companies can achieve in this regard. Ultimately, stability and quality of local programs depend on financial resources from a great many sources. Some of these come from local communities, others from state or national sources. Over the long term, the success or failure of programs by any measure will depend on their ability to mobilize these resources and use them well. That is, it will depend on the programs' capacity to build and sustain their support and to manage the resources they have.

As a result, corporate donors might consider whether their limited resources should focus more on local-level organization building than on service improvement. One way to do this would be to place greater emphasis on helping the programs build partnerships with other literacy providers and with other kinds of service institutions in their communities. Another way would

be to emphasize helping programs develop and execute strategic plans for raising their visibility and marketing, and for gaining access to funding streams that are now beyond their reach. In order to strengthen these functions, of course, programs would need to have (or be given) the staff time and management systems capable of executing them. In far too many local programs, the staff is barely large enough to carry out operational responsibilities, let alone engage in organizational development work. Thus, to place more emphasis on organization building at the local level would necessitate investments in expanding staff capacity.

Some local programs with the capacity to focus on organizational development have been outstandingly successful in expanding their operations by tapping new revenue streams, both public and private. In some cases, this has involved marketing their services to local donors; in other cases, it has taken the form of contractual relationships with local businesses or public providers.

In terms of organization building, the in-kind contributions some companies make by encouraging their local executives to serve on local literacy boards may be one of their most important donations. Local executives can help build support and visibility within local business and philanthropic communities. They can also help identify and broker partnership arrangements. Corporate grantmakers may wish to consider whether such organization building functions should serve as a prototype for a greater share of their local giving dollars. If so, they could encourage their executives to have more personal involvement in literacy organizations and reinforce that involvement with grants that specifically target strategic planning, building partnerships, marketing, and the staff development required to achieve these and other organizational development goals.

In short, companies might do well to consider whether a greater emphasis on organization building at the local level would be a more strategic use of their resources, likely to have more lasting benefits than a primary emphasis on service improvement.

Issue 3: Libraries. The number of libraries that responded to the CAAL survey may be too small to draw firm conclusions about the effects of corporate giving on these important literacy service institutions. It does appear from the survey that library literacy programs receive less support of any kind from national corporate donors, but, as mentioned above, this may be due to the comparatively small size of these programs and the non-instructional services they provide. Whatever the reasons, libraries are important and ubiquitous local learning centers. Companies might want to consider whether they are inadvertently neglecting the potential of libraries, and whether their local grant guidelines should place greater emphasis on them.

Issue 4: Community focus. CAAL's local program survey suggests that corporate donors could make a special contribution to literacy by helping at least some local programs fulfill their aspirations to become full service providers – to offer GED and/or ESL service in addition to basic literacy instruction for native speakers. Although this is an important finding, it should be examined with caution. Inherent limits in the survey's size and methodology make it difficult to say with certainty how large a contribution corporate donors make in this way.

However, the findings may suggest a different way corporate literacy philanthropy can add value that merits further research.

Equally important, the benefits of creating more full-service literacy programs is a matter that warrants careful consideration on a community-by-community basis. There can be no doubt that the nation needs more ESL and GED *services*. But it does not necessarily follow that it needs more ESL and GED *programs*. In some communities, services of both types may be unavailable unless existing literacy programs can expand their offerings in this way. In other communities, greater benefits may be achieved by working with programs that already have the expertise and instructional resources needed. In these communities, establishing better articulation between existing providers and those that presently concentrate on basic literacy services may be most beneficial to all.

In the state of Oregon, for example, the primary function of CBOs is to support the ESL and GED services of community colleges and other public programs by providing referrals, supplemental tutoring, classroom aides, instructional space, guidance, and personal support services, rather than instruction. This contribution is of enormous value, and that state's adult education system could not function effectively without it.⁸

Of course, the Oregon example is not the right model for all locations. Moreover, a case can be made for competing providers in any location – just as it can be made for competition in other endeavors. But Oregon illustrates an important point: In considering the expansion of service, as in other investments they make, corporate donors might get better results in the long run if they take a more comprehensive approach to improving the quality and quantity of literacy service. For example, rather than focusing on improving particular programs, they might achieve more if they gave more emphasis to articulation between and among the different providers groups in local communities. Whether their local grantmaking is centralized or decentralized, corporate donors should certainly encourage local programs (and local managers, in the case of decentralized systems) to engage in cooperative, community-wide analysis.

Issue 5. Use of national services. Our survey of local programs suggests that a great many of them use the national services (e.g., the Verizon Literacy Campus) supported by corporate donors. It also indicates that some of these services are more widely used than others. For corporate donors concerned about the impact of their national investments, this is an important finding, because many of these national services are specifically designed to benefit local programs. Unfortunately, the scope of our survey was too limited to support firm conclusions about the extent of usage or to probe exactly how different services are used. These matters are important in gauging the impact of corporate philanthropy, and they could easily be studied. Companies should be encouraged by these preliminary findings, but they should also conduct further research that examines the use of national resources in more detail. This information would help them evaluate and improve both their existing and future investments.

⁸ See *Oregon Shines! Adult Education and Literacy in Oregon Community Colleges*, by Sharlene Walker and Clare Strawn, Council for Advancement of Adult Literacy, October 2004. [Available from the CAAL website at www.caalusa.org]

Issue 6: Problems in the grantmaking process. Our survey shows that a significant number of programs supported by national corporations find the grantmaking process to be a challenge in one way or another. But we could not probe the nature and extent of these difficulties in detail. At best, our findings should be taken as a signal for corporate donors to investigate this issue further. Customer satisfaction brings many of the same benefits to philanthropy as it does to business. To improve the efficiency of their giving processes, and to support the business case for giving, companies might want to make their grantmaking processes more user friendly.

VI. UNMET NEEDS

At the suggestion of one corporate participant in this study, CAAL examined whether there are major unmet needs in the adult literacy field that corporate philanthropy might address. To explore this question, we convened a meeting of eight national literacy leaders in the summer of 2005, held numerous phone calls with them and with others, and sought ideas from a number of corporate advisors to the project (Appendix B lists the principle project advisors). The discussion focused mainly on strategic, nationwide needs of the field as a whole for which there is no apparent source of funding at the present time. Four major needs emerged from this process:

A. STRATEGIC PLANNING TO IMPROVE THE SYSTEM

Some advisors recommend corporate help to create a blueprint for “the big picture.” None believe that America’s system of adult literacy service is as good as it should be – although they all think its shortcomings are often exaggerated and misunderstood. The literacy system accomplishes far more than most people realize. National leadership groups and local programs are trying to improve the quantity and quality of service as best they can with the resources they have, and many of these efforts are supported by corporations. Work by the leadership groups is essential, and must be continued if the field is to grow and provide stronger, more far-reaching services.

Leadership groups working individually on service provision can accomplish only so much. Among the things they cannot do is to plan how their efforts can best fit together, or with the programs of government and others, to achieve synergies, economies of scale, and multiplier effects, and to address gaps in the service system. In short, they cannot presently devote the time needed to look at the big picture, at what the American literacy system, taken as a whole, really should be, and what would be required to make it that. As a result, leadership groups believe that in considering future directions, fresh thinking must be brought into the equation, extending beyond present vested interests.

National leaders consulted by CAAL think there is a good deal of consensus about answers to many of the big-picture questions. But no one has the mandate to ask and answer the questions carefully, candidly, and in detail. It is highly important, and timely, that someone should assume this mandate. Grantees, grantors, practitioners, learners, government, and others would benefit greatly from a comprehensive and agreed-upon blueprint for literacy. The *JUMP START* report⁹ issued in 1989 was highly effective in bringing about change in this regard. The National Institute for Literacy's "Summit" some years later was useful, but too generic and with too little thought given to legislative and policy implications.

Our advisors did not specify the mechanism by which a blueprint for future literacy should be developed, but the possibility of a well-funded independent national commission or task force was discussed briefly. This idea has been discussed in various forums for many years, and the idea enjoys good standing in the literacy field. Whatever form such an initiative might take, there is widespread belief that an effort of this kind would be an excellent investment for a corporate donor that wants to bring about lasting progress in this field. Since the probable cost of a well-managed national commission or task force may well exceed the amount that one donor could comfortably make (historically, in the neighborhood of a million dollars), an undertaking of the kind envisioned might require funding by a number of companies.

Whether sponsored by a single corporate donor or several, however, a national commission or task force should have special appeal in making the business case for literacy. To influence future directions in the literacy field, as well as policymakers and funders who themselves have a powerful influence over those directions, such an undertaking would have to be a highly visible, independent, well-publicized effort from inception to conclusion. To succeed, its membership would have to consist of influential national leaders in and out of the literacy field. It is not hard to see that such an undertaking would be an exceptionally good way to achieve image advertising and/or branding goals. Identifying such an undertaking as the "X Commission for the Future of Adult Literacy" could quite possibly be one of the best

⁹ *JUMP START* is available in PDF format from the CAAL website at www.caalusa.org.

opportunities any corporate donor will have to make its business case for investing in literacy.¹⁰

B. LITERACY PLUS

As indicated throughout this report, virtually all corporate investments in the adult literacy field aim to improve the ability of literacy organizations to provide or foster service as it has been understood in the past. The goal of the adult literacy enterprise, traditionally, has been to improve the pre-academic basic skills of adults – in reading, writing, math, and (for ESL students) speaking and comprehending English. These are portable skills, in the sense that mastery of them should be transferable to many contexts. In a sense, this goal is a road without an end, because improvement in all of these skills is always possible, but in practice the literacy enterprise has focused on instruction for adults whose skills fall well below the norm. Its terminal point, up to now, has been helping people achieve skill levels sufficient to attain high school equivalency certification.

This goal has been, and continues to be, the defining mission of adult literacy programs and the national organizations that support them – through adult basic education, ESL, and GED or other high school equivalency courses. And it is the mission that virtually all corporate philanthropy supports.

But, the literacy leaders consulted by CAAL believe that corporations, government, the public, and practitioners need to understand that the focus of adult service has been expanding beyond this core mission over the last decade or so. It has shifted more to particular contexts within which gains in basic skills can actually improve the lives of individuals as well as the nation's social and economic good.

¹⁰ It should be noted that CAAL has been working for some months with the active support of numerous national literacy leaders to develop a commission of the sort needed.

It is useful to think of this broadened focus as “literacy plus.” In one way or another, it entails linking traditional literacy services and systems to other kinds of educational, social service systems, or businesses, and hence to the needs and goals of a greater range and number of learners.

Linking literacy to early childhood development through family literacy programs is a well-recognized example of this trend. In addition, there is growing interest in how to help literacy students make the transition into the academic and vocational programs of community colleges, health training programs, accelerated vocational programs, and workforce literacy programs. There is also growing interest in forging closer links between literacy and welfare programs. In addition, as ESL service has become the predominant form of literacy service in many areas of the country, it is clear that immigrants with high education levels in their native countries often learn English more quickly than students with low literacy skills who enroll in traditional ESL programs (the latter is more the proper focus of adult literacy service programs). The learning goals and education assets of both ESL groups need to be incorporated into new types of programs, including high-intensity programs with a vocational emphasis.

Local service providers increasingly emphasize literacy plus program areas. (Workforce literacy has become such a high demand service area that it is actually a profit center for some of the programs.) Likewise, national and state leadership organizations are putting more and more focus on them. This is generally thought to be a good development. Developing portable basic skills is a legitimate end in itself, but it can also confer many other benefits on learners. Often the anticipation of those benefits brings learners to literacy programs and improves their retention rates. Moreover, links with other service systems can open up new funding streams, create economies of scale, and result in other operational efficiencies. And they can help build political and public support for literacy. Put another way, by these and other means, literacy plus initiatives can strengthen support for traditional literacy service as well.

The literacy leaders we consulted believe that donors should understand these new dimensions to literacy service. Not only is it important to have a holistic understanding of the field, but various types of literacy plus initiatives provide new opportunities on many fronts for high-

leverage, strategic investments by corporate donors. If corporate donors have not examined these areas of innovation, it would be beneficial for them to do so.

C. BUILDING AWARENESS

Many corporate investments in literacy aim to increase understanding about the true dimensions of America's literacy problem – why it matters, and why this area of educational need should be treated as a high priority. Their awareness-building projects target the general public, potential activists, and influential elites for various specific purposes. However, CAAL's advisors believe that this kind of support, among all of these target audiences, is not nearly as strong as it was 15 years ago – when a combination of public and private efforts put literacy high on the nation's priority list.

This apparent retreat is damaging in many ways. Lack of awareness among these groups jeopardizes funding from all sources, and it may well discourage learners, reduce the number of volunteers, diminish the ability of programs to attract first-rate staff, and limit innovation. Our advisors recognize that building greater awareness and salience for literacy is a difficult task. And they know that some of these efforts have not been wholly successful. They do not consider themselves expert in marketing on a national scale, but they realize other people are. In the area of awareness, as in the area of operations mentioned above, they believe that a blueprint for comprehensive national action is essential, along with support to implement it.

In the future, corporate expertise in marketing other products could be particularly helpful in developing and implementing better strategies for literacy programs. As a first step, it could be highly valuable to determine through survey research what the general public and various target audiences actually *know* and *think* about literacy. It could turn out that perceptions are wrong about slippage in the salience of this issue, and that there is a far greater reservoir of support than we think; but perhaps not. It would be beneficial to programs, planners, and funders to know this.

But beyond getting a better handle on the dimensions of this problem, our advisors believe corporate donors could make a great contribution by supporting one or more efforts by literacy leaders and marketing experts to develop and implement a comprehensive national awareness strategy. The goal might be to elevate literacy to the high status it needs to have, considering all we know about the nature, scale, and national impact of the problem on lives and social and economic systems. In addition to financial support, some options to consider are in-kind donations including corporate marketing expertise.

D. PUBLIC POLICY

The need for stronger support of literacy public policy work ties in to the unmet needs just discussed. Government is the major source of financial support for literacy. Obviously, the level of support is highly important, but the purposes and regulations attending that support are equally important. For example, family literacy, a key component of the adult literacy field, which has been in jeopardy of losing federal funding in recent years, had its funding greatly reduced in the FY 2006 federal budget, and fears are that it may even be “zero funded” – despite decades of research showing a hot connection between the literacy skills of parents and the learning of their children.

Furthermore, many innovative areas of literacy service receive very little public support – e.g., linkages to community colleges and workforce literacy. In addition, many federal and state accountability measures are counterproductive.

There are, and have been, cases in which corporations interested in improving literacy service have become directly involved in policy development through their government relations offices, the efforts of their senior executives, or their involvement in trade associations. Other corporate supporters of literacy may want to consider this type of involvement.

National literacy leaders recognize that most corporate donors are reluctant to support policy analysis and advocacy efforts as such – although these are desperately needed. But there have been some notable exceptions. For example, several corporate donors have given CAAL

important support for its pioneering investigation of strengthening links between community colleges and adult education programs, its follow-up implementation work to encourage state governments (among other decision makers) to consider their policy options for strengthening those linkages, and its projects in other areas. CAAL hopes that its adult education and community college transition work will expand in the future to include technical assistance to states that wish to consider policy changes.

Another notable exception has been Verizon's funding of the National Coalition for Literacy. That support played the crucial role in enabling the NCL to disseminate the findings of the NAAL survey, released in December 2005 by the U.S. Department of Education. The impact of the Department's previous survey of national literacy levels in 1993 was diminished by misunderstandings about its findings and their implications for policy and practice. Corporate funding allowed NCL to move to the head of the parade by forming a partnership of its members and other groups to publicize and shape the findings for media, public awareness, and policy purposes. Continued support of the NCL, a national umbrella organization that represents many interests, would be an excellent use of corporate funding.

Another area for corporate consideration is state-level policy development. A number of states have undertaken comprehensive manpower planning initiatives in recent years, focused in whole or part on the need to upgrade literacy levels if the states are to have the workforce they will need in the future. One of the most successful efforts on this front has been the planning initiative launched by MassINC¹¹ a few years ago. This and similar initiatives have brought corporations, government, researchers, practitioners, and other interested parties to the table, and corporate support has been essential in launching and sustaining such efforts, at least for some of their elements. In the case of MassINC, important results were achieved through this funding, and major, comprehensive improvements in statewide literacy policy and funding occurred in the state of Massachusetts. A similar effort in Kentucky also brought about major

¹¹ The Massachusetts Institute for a New Commonwealth – known as MassINC – is an independent, nonpartisan research and educational institute that not only carries out research to a high intellectual standard but also works through meetings and other venues to get that knowledge actively into the public debate.

change. There are certainly other states, regions, and localities where similar initiatives could and should be launched.

Without assuming the role of policy advocates, corporate funders of literacy (whether national, regional, or local) can play a vital catalytic role in improving policy by efforts such as these. Successful investments in policy might be targeted at identifying how policies at the federal, state, and local level shape the literacy service system; examining alternative approaches to policy; building public awareness of the role of existing policy and alternatives; or providing technical assistance to government agencies that wish to bring about change.

It is of paramount importance in independent policy initiatives of this sort that they respond to the perceived needs and interests of public leaders, rather than advocate a parochial agenda. Given the critical importance of public policy in shaping the nation's literacy system, these are clearly unassailable customer-driven investments for corporate philanthropy.

VII. CONCLUSION

Corporate philanthropy plays a major, invaluable role in the support and improvement of America's adult literacy service and system – hence in improving the literacy and prospects of thousands of Americans each year.

This contribution takes many different forms, and its magnitude is difficult to gauge. But if corporations did not support adult literacy in the ways they presently do, it is certain that the national literacy effort would be severely damaged.

At the level of national leadership, corporate donations offer irreplaceable support for institutional development and innovation in policy, research, and practice, all essential to improving literacy service nationwide. At the local level, corporate contributions provide support for program improvement that is vital to local groups that usually have too few resources to devote to this core function.

The corporate track record is impressive. Total company giving to adult literacy may be modest compared to public sector investments in this field, but corporations focus on aspects of literacy need – particularly the need for innovation and program improvement – where modest resources can have a huge impact. As a result, the value that corporate dollars add is very high.

Companies that presently make only small or occasional investments in literacy might examine the achievements of the few leading donors and consider the benefits of enlarging their own programs in this field. Compared to many other areas of corporate giving, investments in literacy add up to high-impact philanthropy, both in their benefits to the field and in the good will they bring to companies in virtually every community in America.

Likewise, it is to be hoped that the leading corporate donors will find merit in using their achievements to date as the foundation on which to accomplish even more. They have many options to consider, and they may be uniquely able to help meet many of the unmet needs discussed earlier. Success in this area of giving should breed more success.

This study cannot by itself give grantors and grantees all the information they need to calibrate their efforts for the maximum benefit of both and for the literacy cause. But we hope it will provide a starting point. Moreover, as in most fields of philanthropy, the two groups too often deal with each other at arm's length. CAAL hopes that its work will be the spark for a longer-term and better-structured dialogue between donors and literacy organizations – about their needs, priorities, potentials, and impacts.

APPENDIX A:
ABOUT THE AUTHORS

FORREST P. CHISMAN (Vice President, Council for Advancement of Adult Literacy) has had extensive experience developing collaborative ventures in and among community colleges, including relationships in technology and in allied health. From 1988-1996 he was president of the Southport Institute for Policy Analysis, an independent policy research and advocacy organizations specializing in adult literacy, job training, welfare policy, and other aspects of human resource policy. His groundbreaking *Jump Start* report provided the blueprint for the National Literacy Act of 1991. From 1982-1988, Mr. Chisman directed the Project on the Federal Social Role, a bipartisan group of governors, mayors, and members of Congress investigating future directions of federal social policy. In this position, he also directed the Commission on Federalism and National Purpose. In 1977, he joined the Carter Administration as deputy associate administrator for policy and he was director of planning and policy coordination in the U.S. Department of Commerce's National Telecommunications and Information Administration. Earlier, he was associate director of the Program on Communications and Society at the Aspen Institute as well as a senior program officer at the John and Mary R. Markle Foundation. He has written extensively on federal social policy, adult education, health care, employment, public opinion, social security, welfare, philanthropy, and education. Mr. Chisman was the study director of CAAL's recently-concluded two-year task force study of community colleges and adult education. He presently directs CAAL's study of adult ESL in community colleges, a project funded primarily by the Hewlett Foundation.

GAIL SPANGENBERG (President, Council for Advancement of Adult Literacy) founded CAAL in 2001. In the 1980s-1990s, she was a national leader in adult literacy as chief operating officer of the Business Council for Effective Literacy. Before that, she was a program officer at the Ford Foundation where she directed grant programs in educational technology, open learning and nontraditional higher education, adult literacy, and urban higher education in the U.S. and Western Europe. In the late 1970s, she was a member of the team led by former U.S. Commissioner of Education Harold Howe II that studied the governance, funding, and facilities needs of the City University of New York for Mayor Ed Koch. She has provided policy analysis and other advisory services to a wide range of education, philanthropic, arts, and governmental organizations, including The New York Public Library, the U.S. Department of Education, the William & Flora Hewlett Foundation, the Carnegie Corporation, Chemical Bank, and the British Broadcasting Corporation. Ms. Spangenberg has directed several major studies, including: *Even Anchors Need Lifelines: The Role of Public Libraries in Adult Literacy* (1976, Library of Congress); a one-year assessment of needs in adult literacy and the feasibility of creating a blue-ribbon commission on adult literacy (2000, funded by the Carnegie Corporation and Ford Foundation); and the Independent Task Force Study of the New York State Regents External Degree and College Proficiency Examinations Programs (1983, chaired by the Honorable Frank Keppel). She initiated the Ford Foundation's attention to the role of women in that foundation and its external grant programs. She has written widely on adult education and open learning.

APPENDIX B:
ADVISORY COMMITTEE

Eunice (Nickie) Askov

Distinguished Professor Emerita of Education
Co-Director Emerita, Goodling Institute for Research in Family Literacy,
Institute for the Study of Adult Literacy
Penn State University

Bob Bickerton

President, National Association of State Directors of Adult Basic Education
& Associate Commissioner, Center for Lifelong Learning
Massachusetts Department of Education

Sherrie Claiborne

Past President, current Policy Chair
Commission on Adult Basic Education

Lance Chrisman

Director, Community Affairs, Verizon Information Services
(formerly Director, Verizon Public Affairs Programs)
DFW Airport, TX

John Comings

Director, National Center for the Study of Adult Learning & Literacy
Graduate School of Education
Harvard University

Patty Cottingham

Vice President, Administration
Scripps Howard Foundation

Sharon Darling

President
National Center for Family Literacy

Steve D. Farr

Vice President
APCO Worldwide

Edith Gower

Executive Director
Literacy USA

Doris B. Gonzalez

Senior Program Manager, Corporate Community Relations
IBM

Debbie Johnson

Public Affairs Liaison
Verizon Information Services
(formerly Manager, Verizon Public Affairs Programs)

Charlene Landis

Consultant, U.S. Public Policy Group
Pfizer, Inc.

Dale Lipschultz

Literacy Officer, Office for Literacy & Outreach Services
American Library Association
President,
National Coalition for Literacy

Erik Phelps

former Public Affairs Manager
Verizon

Jason Spangler

Consultant to US Public Health
US Medical/Pfizer Global Pharmaceuticals

Ron Stanley

Director
Wal-Mart Foundation

Denine Torr

Senior Manager, Community Initiatives
Dollar General Literacy Foundation

Peter Waite

Vice President, U.S. Programs
Proliteracy Worldwide