

When corporate philanthropy is most effective:

Providing financial support and social capital to support high-potential youth

by STEPHANIE BELL-ROSE



In the world of education today, too many of our most promising students—particularly those from underrepresented minority groups—are overlooked and their talents go undeveloped. African-Americans and Hispanics account for only 12 percent of the student population at the nation's most competitive colleges (schools with a median SAT score above 1300 for incoming students), despite the fact that they constitute nearly 20 percent of the total pool of freshman enrollees and nearly one-third of the college-age population in the United States.

It is facile to assume that there simply are not large numbers of bright African-American or Hispanic high school students in the United States. Gifted young people are found in every neighborhood and every community. What is undeniably true, however, is that vast numbers of them simply do not get help traveling the road that leads from early childhood to competitive colleges and successful professional careers.

We ignore the development of these underrepresented and underserved students at our own peril. Today's global economy demands well-educated leaders from diverse backgrounds who are adept at using rapidly changing technologies, processing complex information and communicating across multiple languages and cultures. Such people are in short supply and our search for them should not be limited by culture, demographics or geography.

This scarcity of talent creates real problems for the top-tier businesses and organizations that depend on qualified professionals to lead, manage and produce. These firms know that diversity stimulates creative thinking and generates direct benefits to the bottom line. But traditional recruiting approaches, in both the business world and higher education, tend to merely reshuffle a relatively fixed number of candidates without addressing the actual shortage of talent.

A wiser approach—for both young people and the organizations and communities they will one day lead—is to increase the actual numbers of high-potential youth on their way to competitive colleges and demanding careers.

Successful programs for talented secondary school youth seek to address the supply side of the equation. They offer advanced, college-level courses; career and leadership development programs; college counseling for the students and their families; mentoring; and the opportunity to join a broad social network with other high-achieving students.

But establishing these preparatory programs is not enough—and here is where corporate philanthropy can play a unique role. In addition to providing financial support to programs that serve gifted youth, especially those from underserved communities, corporate grantmakers can tap their employees and

managers to make sure role models are available who can mentor and nurture students' development. Corporate philanthropy is most effective when it supplements financial support with social capital—with the knowledge and expertise of the company's professionals. Employees can coach and mentor young people in academic enrichment programs, making financial grants more powerful and longer lasting by adding a much needed human component.

Of course, this active approach to corporate philanthropy need not be limited to programs that develop high-potential youth, but given how important relationships and mentoring are to academic success, the fit is a natural one. Since its inception in 1999, The Goldman Sachs Foundation has worked to support academically gifted youth from underrepresented backgrounds. We both provide financial support to nonprofits and engage Goldman Sachs professionals as coaches and mentors to students and as business plan judges and advisors to organizational leaders.

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In 2003, The Goldman Sachs Foundation joined with Johns Hopkins University's Center for Talented Youth and Duke University's Talent Identification Program, the two premier gifted-and-talented education programs in the country, in a collaboration designed to enable other corporations and foundations to pool their resources to provide the kind of active support described above to high-potential young people from underrepresented backgrounds.

The "Next Generation Venture Fund" provides individual assistance to students identified by these two programs and also encourages fund contributors to leverage their contributions of financial capital with the intellectual, social and human resources of their organizations. Employee mentoring, in-kind donations and internships all enable the fund to serve students more effectively and efficiently. The fund allows companies, which usually compete for talent and market share, to collaborate in developing a new generation of young leaders.

Increasing the numbers of high achievers from underrepresented backgrounds is a societal imperative, essential to advancing communities around the world. It requires a commitment to finding and developing the talents of young people who are too often overlooked, as well as creative investments of financial and intellectual capital that the private sector is uniquely positioned to offer. ■



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