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United Way to Target Health, Education and Income

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The United Way of America, alarmed at the nation's fraying safety net, will announce today that it will direct its giving toward ambitious 10-year goals that would cut in half the high school dropout rate and the number of working families struggling financially.

The nonprofit organization also wants to increase by one-third the number of youths and adults considered healthy. The announcement comes as it releases a report detailing a precipitous decline in key education, personal finance and health indicators.

The report finds that one in four high school students does not graduate on time, one in four families does not earn enough to provide for its household, and two in three young people and adults lead unhealthy lives, including those who engage in such risky behaviors as drug use, binge drinking and unsafe sex.

"The country is at a crossroads right now," said Brian A. Gallagher, the United Way's president and chief executive. "I've never felt a time in my career where there's this combination of enough pain, feeling of a lack of progress, feeling like we've stalled, combined with a next generation of leadership demanding change."

He said the announcement he plans today at the United Way's annual conference in Baltimore is a "clarion call to action."

Although local affiliates historically have funded a variety of programs, United Way leaders say the giving has done little to solve the country's social problems.

Today, they will pledge to spend the money raised in the next 10 years to support programs directly related to education, income and health care. The Washington area affiliate, which emphasizes these priorities, said it supports the national initiative.

The United Way is the largest U.S. nonprofit organization, with about 1,300 affiliates that collectively raise more than $4 billion a year through workplace campaigns and other private donations. By harnessing its giving power, the United Way is trying to reignite a social movement of the philanthropic, government and corporate sectors to improve conditions for working families.

Despite spending millions to support scores of local programs, the 121-year-old United Way has not made measurable progress on these core problems, Gallagher said. The country's social safety net is broken, he said, and the United Way must redirect its money toward the root causes and hold itself accountable by declaring bold and measurable -- even if unattainable -- goals.

"For years and years and years, folks saw us as a fundraising organization . . . but the issues we care about weren't getting better," Gallagher said in an interview at the Alexandria headquarters. "So the change here is to put a stake in the ground on the issues that drive improving social conditions."

The initiative comes as the United Way faces increasing competition for philanthropic dollars and as donors demand more accountability.

The initiative has the backing of some large corporations and leading philanthropies. One partner is America's Promise Alliance, a coalition of business, nonprofit and community leaders founded by former secretary of state Colin L. Powell and his wife, Alma, that supports youth initiatives.

Alma Powell said the education statistics in the United Way's report illustrate a "crisis for our country." According to the report, 74 percent of high school students graduate in four years.

"We are losing our standing in the world as other nations emerge, and their emphasis on education is so much stronger," she said.

She said it is crucial for nonprofit groups, philanthropies and businesses to pool their resources and work together.

Brenda Suits, a senior vice president at Bank of America, one of the United Way's biggest corporate partners, said the organization's new mission is "definitely on the mark."

But the United Way might have a difficult time galvanizing the nonprofit sector, let alone its affiliates. Although the national organization sets the agenda for its 1,300 affiliates, it does not have the power to dictate that local organizations award grants only in the areas of education, income and health.

It is hard to gauge the reaction of local United Way leaders, many of whom will learn of the national initiative today. But the affiliates are historically independent, and many have deep relationships with donors and nonprofit groups in their communities. "All they have is a persuasive leverage, and I'm not sure that's going to be good enough to move a lot of these entrenched local United Ways," said Pablo S. Eisenberg, a senior fellow at Georgetown University.

The United Way of the National Capital Area aligns much of its giving around education, income and health, said Charles W. Anderson, president and chief executive.

"This is our future, and this is the future of the movement," he said.

Gallagher said the United Way is establishing interim benchmarks to measure progress toward its 10-year goals. "The thing that is either really stupid or really courageous is we're going to hold ourselves accountable to these national metrics," he said.

Donors increasingly want nonprofit groups to measure whether they are achieving their missions, Allen S. Grossman, a Harvard professor, said. "If this works, this can help transform the way a lot of other people give away their money."

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