

California SAGE and Allstate Take the USA Stage: A Youth Entrepreneurship and Leadership Program

I. Purpose and objectives of the program

The purpose of this grant request is to *continue* to help make future dreams come true for California high school students by stimulating, evaluating and recognizing outstanding, problem-based learning projects completed as part of the SAGE California program. This project directly targets the Allstate Foundation's ECONOMIC EMPOWERMENT focus area, especially as it relates to financial and economic literacy.

This first objective of this project is:

- To promote a better understanding of financial literacy and community service for California high school students via a program called "Students for the Advancement of Global Entrepreneurship" (SAGE). The high school students will be assisted by their college mentors/consultants. Working closely with their university mentors, the high school students will learn new financial literacy skills as they work on REAL WORLD projects.

The second objective of this project is:

- To involve the business and civic community by recruiting business managers, executives, entrepreneurs and elected officials to participate as guest speakers, consultants and business advisers for high school SAGE teams. Further, in the role as SAGE competition judges, these leaders serve as evaluators and graders to determine which educational projects are doing the most to enhance financial literacy.

The third objective of this project is:

- To make the Allstate Foundation the primary sponsor of the SAGE California tournament on *May 14-15, 2009* at the San Francisco Airport Marriott in San Mateo. The SAGE California champion and first runner-up teams will be invited to represent California at the SAGE USA tournament.

The fourth objective of this project is:

- To make the Allstate Foundation the primary sponsor of the SAGE USA tournament; this will also take place at the San Francisco Airport Marriott in San Mateo on *May 29-30, 2009*. Other states represented are Arizona, Idaho, Kentucky, Missouri, Ohio, Pennsylvania., New York, Rhode Island, South Carolina and Washington..

II. Why is SAGE an ideal match for the Allstate Foundation?

SAGE is an ideal match for Allstate's philanthropic activities because:

- (1) It has been pilot tested in California, and it works. SAGE has been successfully conducted the past six years, and it has shown that it can become a model for effective state, national (and international) education reform;
- (2) It directly involves local business and community leaders in working with the high school and university students as they complete their real-world, experiential learning projects. This extraordinary "team" effort is unparalleled among youth programs offering financial education, community service or entrepreneurship;

- (3) It directly provides new role models for high school students from college and university mentors; the older students act as financial consultants to their younger protégés, thereby providing a new point of contact between high school students from low-income communities and higher education;
- (4) It directly involves local business and community leaders in a new form of outcome assessment, where these leaders (not the teachers) evaluate the quality of the high school projects; each SAGE team must present the results of their projects in a written annual report and a multimedia presentation at a regional conference
- (5) It encourages intrascholastic collaboration because students can work on SAGE projects as part of an existing curriculum (like National Foundation for Teaching Entrepreneurship, known as NFTE) or after school (like athletics and drama). At the end of the year, each high school must select a team of presenters who travel to a regional conference (i.e., tournament) to present their results in front of a panel of external reviewers (i.e., referees). The team rated the highest advances to a national competition, and the winner of the national competition advances to the SAGE World Cup;
- (6) It encourages interscholastic competition; SAGE students don't compete for grades; rather, they compete for the same type of recognition that comes with interscholastic sports. The competitive element incorporated into SAGE cannot be overstated. This structure allows teams to "benchmark" their best projects against other secondary schools from one year to the next. Unquestionably, one of the strongest motivators for a young person is peer pressure, and the SAGE structure, in a subtle yet powerful manner, has incorporated this motivational technique into a fun and competitive setting.
- (7) It requires the completion of local projects, but each SAGE must do so with an eye toward international issues; by including a judging criterion with a global dimension, SAGE provides secondary students with an international perspective and, for the most outstanding students, a unique cultural exchange program when they travel to the SAGE World Cup each year.
- (8) Doesn't mandate any one curriculum nor intrude on existing business student organizations; on the contrary, SAGE provides an avenue for these student organizations to showcase what they've learned and earned by presenting their results in a public exhibition, thereby increasing the potential for existing financial education curricula to expand their "market share."

The majority of the high schools targeted by this grant is located in underserved communities, and addresses several of Allstate's goals in that SAGE:

1. Integrates innovative approaches to enhance learning experiences in the public school system
2. Provides financial literacy and business education skills to prepare high school youth for their next stage of life and offers an outstanding mechanism to
3. Reinforces the volunteer efforts of Allstate employees. The SAGE program is strengthened based on the real life expertise, and interaction with, experienced professional financial experts.

Though the project headquarters is located in Butte County (Butte County is the fourth poorest county in California; 28% of Butte County children live in households below the poverty level, and of these, 43% of the children come from single-parent households), the SAGE California project reaches a high schools throughout California. The SAGE USA project reaches high schools across the United States.

Grant reviewers should note how we are growing, and also how we are establish long-term strategic partnerships for continued growth and sustainability. For example, We have entered into the third year of our partnership with Youth Venture (<http://genv.org>), whereby all U.S. high school SAGE teams are eligible for up to \$1,000 in seed capital. Specifically, YV and SAGE have agreed to work together to support young people served by SAGE in creating, launching, and leading sustainable social enterprises. The collaboration began with a pilot program starting November 1, 2006 to August 31, 2007. We extended our partnership the past two years. To date, we have awarded approximately 40 "SAGE-Youth Venture" grants. YV's goals are congruent with SAGE's goals: we both want to redefine the role of young people in society as able leaders of social change.

II. Needs being addressed

The U.S.'s No Child Left Behind education law, with its emphasis on outcomes assessment and school performance, can be criticized *for leaving many children behind* in the areas of creativity, freedom of expression and civic engagement. Moreover, financial literacy and entrepreneurship concepts and skills are often taught in a minimal fashion, if taught at all. According to the Jumpstart Coalition for Personal Literacy, 50% of U.S. high school seniors don't make the grade in their knowledge of managing money, investing, and savings. Also, a recent Gallup survey found that, even though 69% of high school students want to start their own business, more than half acknowledged that their understanding of business issues is poor. "The sad fact is that most children today receive no formal education about business and free enterprise. Our schools aren't required to teach it and most teachers don't understand it themselves. Unless we start today to correct this situation, the free enterprise system will continue to be at risk tomorrow" [Think This is Kid Stuff? Think Again..., National Federation of Independent Business Education Foundation].

Most financial education programs throughout the U.S. and around the world, if they exist at all on a high school campus, have focused on curriculum reform/content development and many are delivered in traditional text-based or "chalk and talk" lecture/recitation environments. Further, the content focuses almost entirely on for-profit enterprises, without much regard for the creation of social enterprises. While the content is usually sound, it neither engages students nor changes their behavior regarding the practice of micro enterprise development, entrepreneurship or financial literacy in their own lives. The challenge is to make that content relevant and "hook" the student. For example, when a student is learning about linear and exponential algebra in a math class, he or she can be thinking about how this material can be applied to the SAGE project (e.g., markup percentages, break-even analysis, compound interest theory, calculating interest). It is one thing to be able to claim that a student has learned the principles of financial management and can pass a test covering the material learned in a classroom. It is something altogether different, and more meaningful, to have that same student apply their financial knowledge to managing their own lives, and their own finances.

Rather than becoming yet another body of knowledge to be memorized, tested and forgotten, if financial education is made relevant, it becomes an integral part of that student's vocabulary and mindset as they seek a job or move on to their vocational school or university years and into the "real world." SAGE provides such relevance. Thus, this proposal addresses an unmet need at the secondary school level in California and throughout the United States. SAGE can be considered an after school activity, or "Period 8", in a traditional high school with seven periods. Period 8, with its emphasis on integrative, problem-based learning, could aptly be called: "Making School Learning Relevant through SAGE."

III. Plan of action and time frame

The SAGE program promotes financial literacy and community service by linking CSU, Chico students to California secondary schools. **We expect to almost double our participating this year, with approximately 30 high schools and 500 students expected to participate in SAGE California**, with the culminating event taking place on May 14-15, 2009 (note: the Allstate Foundation will be the main sponsor for this event). At least half of these high schools are from inner cities, and several high schools will come from rural, economically-challenged communities. University student "mentors" from Chico State are assigned to individual high schools to help them complete problem-based learning projects. Throughout each year, the high school SAGE team completes at least one project under each of the following three categories: for-profit enterprise, social enterprise, and environmental stewardship. Each SAGE school is encouraged to recruit a Business Advisory Board. At the end of the year, these projects are showcased at the SAGE California competition in April or May. Judges at the SAGE California competition include successful entrepreneurs, business leaders, professors, civic leaders and graduate

students. Thus, SAGE is an ideal program that encourages school partnerships with the business community and the community in which the school is located. The SAGE California champion will represent California in the SAGE USA Exposition on May 29-30 in San Mateo, CA (note: we expect SAGE USA to grow from seven states to 11 states this year. The champion SAGE students from California will present the results of their projects to a new panel of judges. Other state SAGE champions will also present the results of their projects. The team that does the most persuasive job will then represent the USA in the SAGE World Cup competition in Brazil in August 2009.

IV. Qualifications of program staff

Dr. Curtis L. DeBerg is the Project Director. He is a full professor of accounting at California State University, Chico; he has taught at Chico State for the past 18 years. Dr. DeBerg will be assisted by the 2008-2009 CSU, Chico SAGE staff, which consists of 25 students who participate in SAGE as part of their community service-learning activities (see <http://sageglobal.org>). Dr. DeBerg is experienced in the areas of experiential learning; he has a successful track record in managing and directing two previous U.S. Department of Education grants; and he has a vast network of secondary school and university contacts in California (and several U.S. states and 25 additional countries) who want to participate in SAGE.

V. Total funding required and projected resources

We request \$20,000 total: \$10,000 for SAGE CA and \$10,000 for SAGE USA, as follows. This request represents approximately 20% of the total budget.

SAGE California Budget 2009

**N = 30 h/s
Total
Costs**

SAGE - Direct Program Related Expenses

i. Materials and Supplies

Photocopying	\$1,000
Postage	\$1,000
Telephone	\$1,000

ii. College mentor/consultant travel to California high schools: \$8,000

iii. California SAGE Competition, May 14-15 2009

Overall SAGE Winners Prize Money: \$500, \$300, \$100	\$900
Special Competition Prize Money	\$2,700
Hotel, 1 nights, 2 rooms each (\$110/rm)	\$7,700
SAGE T-shirts (\$8 each)	\$2,000
Judges' packets (\$7 each)	\$1,050
Thursday night welcome reception for business and civic leaders (\$20 each)	\$3,000
Friday night skating/pizza party for high school students (\$8 each)	\$3,200
Friday morning continental brkfst, judges/teacher (\$8 ea)	\$800
Friday lunches for students, judges, teachers (\$8 ea)	\$4,240
Advertising and PR (Street banners, signs, balloons)	\$800
Brochures (Production and Mailing)	\$700
Supplies, copying, name tags	\$500
Friday night banquet rental facility	\$800
Friday night banquet (\$25 ea)	\$5,000

Friday night entertainment	\$500
Trophies, Awards, Certificates	\$1,000
Hotel for Cal SAGE Champion to participate in USA SAGE	\$406
Total Direct Costs (rounded)	\$46,296
Indirect Costs (8% of Direct Costs)	\$3,704
Total Costs	\$50,000
Other Sources of Funding	
Louis and Harold Price Foundation	\$10,000
Kenneth Pasternak Foundation	\$10,000
Umpqua Bank	\$3,000
Bank of the West	\$5,000
NUMMI	\$5,000
Frederick De Luca Family Foundation	\$5,000
Wells Fargo	\$2,000
Total Other Sources of Funding	\$40,000
Amount Requested from Allstate Foundation	\$10,000

SAGE USA - Direct Program Related Expenses

i. Materials and Supplies

Photocopying	\$500
Postage	\$500
Telephone	\$500

ii. College mentor/consultant travel to competition on May 15-17

iii. SAGE USA Competition, May 28-31, 2009

Overall SAGE Winners Prize Money: \$500, \$300, \$100	\$900
Special Competition Prize Money	\$2,700
Hotel, 2 nights, 2 rooms each (\$110/rm)-20 delegations	\$8,800
SAGE T-shirts (\$8 each)	\$1,200
Judges' packets (\$7 each)	\$1,050
Friday night welcome reception for business and civic leaders (\$20 each)	\$3,000
Friday night skating/pizza party for high school students (\$8 each)	\$2,400
Sat morning continental brkfst, judges/teacher (\$15*150 ea)	\$2,250
Sat lunches for students, judges, teachers (\$25 ea)	\$3,750
Advertising and PR (Street banners, signs, balloons)	\$800
Brochures (Production and Mailing)	\$700
Supplies, copying, name tags	\$500
Sat night banquet (\$25 ea)	\$3,750
Sat night entertainment	\$500
Trophies, Awards, Certificates	\$1,000
Travel stipend for SAGE SAGE Champion to participate in World Cup	\$1,000

Total Direct Costs (rounded)	\$37,800
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Indirect Costs (8% of Direct Costs)	\$3,024
Total Costs	\$40,824
Other Sources of Funding	
Macy's	\$10,000
Disney	\$2,000
Joseph Pedott Family Trust	\$10,000
GotVMail	\$5,000
Mary Ginno	\$1,000
Wells Fargo	\$2,000
Cliff Neill	\$824
Total Other Sources of Funding	\$30,824
Amount Requested from Allstate Foundation	\$10,000

VI. Recognition of Allstate's support

For the SAGE California event, Allstate will be recognized as the official sponsor of the Thursday night welcome reception and SAGE Awards Ceremony on May 15-16, 2009. Similarly, for the SAGE USA event, Allstate will be recognized as the official sponsor of the Friday night welcome reception and Saturday SAGE Awards Ceremony on May 29-30, 2009. Allstate's logo will be prominently displayed on our web site: <http://sageglobal.org>.

Allstate also will be recognized as the "official lead sponsor" of the SAGE California Exposition. Recognition will come in the form of significant newspaper, television and radio coverage, whereby Allstate will be recognized prominently. As in the case last year, we will also have an executive from Allstate make a formal presentation of the check to SAGE at the luncheon and/or awards ceremony on May 16, 2008. Two years ago, the Allstate representative was Mr. Kevin Williams, Exclusive Financial Specialist from Southern California. Last year, in April 2008, the Allstate representative was Ms. Shelly Taliani from the Sacramento area. Allstate also will be recognized as the "official lead sponsor" of the SAGE USA Exposition.

VII. Concluding Comments

SAGE is especially needed, and timely. For example, the winner of the 2007 Nobel Peace Prize, Dr. Mohammed Yunus, recently authored a book entitled *Creating a World without Poverty: Social Business and the Future of Capitalism*. In his concluding chapter, Dr. Yunus states: "I can picture local, regional, and even global competitions, with hundreds of thousands of participants vying to create the most practical, ambitious, and exciting concepts for social businesses" (page 230). In the preceding chapter, he described a hypothetical, new Center for International Initiatives for Solutions to End Poverty (ISEP). This organization "will be a dynamic network of institutions and persons around the globe, all working toward common goals as articulated, defined and monitored by a management and steering team (page 199). Yunus also said, "I am hoping that somewhere in the world someone reading this book will accept the challenge of launching this initiative around the world" (page 199).

As SAGE Founder and Project Director, I accept Dr. Yunus's challenge. SAGE is, indeed, a Transnational Social Movement Organization (TSMO) because it creates common interests

among otherwise diverse members by relating various local problems to common, global problems. According to Smith (2001), “transnational social movement mobilization promises more than any other contemporary trend to help break down rather than reproduce existing global inequalities” (Smith, 2001, 206). In an age where information and communication technologies such as email, text messaging, blogs, forums, Internet search engines, cell phones, etc., it is much easier to communicate across state national boundaries.

In closing, allow me to share one example of the power of SAGE to impact youth. When I was in Nigeria in November, 2007, helping to prepare for the SAGE World Cup 2008, I visited four high schools. A young lady at the first high school came to the front of the room and introduced herself. She said, “Before I joined SAGE last year, I wanted to become a doctor. Now, I want to become a doctor and build hospitals.”