

The W. Howard Chase Award — 1997

Organization Nominated: The Prudential Insurance Company

The Issue: Declining Community Involvement in the United States

1. Description of The Issue:

From the beginning, one of America's great strengths has been the propensity of its citizens to play an active role in the civic life of their local communities. Yet over the past few decades, there has been marked decline in this type of community involvement – civic organizations are steadily losing members, fewer people are volunteering for community projects, voter turnout in local elections is often shockingly low, and social interaction within neighborhoods continues to wither. This trend holds ominous implications for the continued strength and vitality of American communities – especially at a time when government resources available for local services are also on the decline.

2. Why is the Issue important to the organization?

Like all insurance companies, Prudential was founded on the powerful idea that everyone benefits when people join together to help those in need. As a result, community involvement and volunteerism lie at the core of the company's values; Prudential has always encouraged and supported efforts – by its own employees and others – to strengthen communities through shared responsibility. In addition, this issue has a direct impact on Prudential's business. The company's 50,000 insurance, securities and real estate sales representatives, who do business in literally tens of thousands of communities across the country, rely to a considerable extent on the infrastructure of local community networks and associations to develop new clients. As those networks and associations weaken, their job becomes more difficult.

This issue was initially identified as part of Prudential's Issues Management Division's ongoing tracking of significant external trends that affect the company's business environment. When the issue of declining community involvement began to increase in prominence a couple years ago, we decided that there were numerous advantages for us to get involved. Research told us that this was an issue that a company like Prudential could, with an effective strategy and sufficient resources, make an impact on.

We also were well aware of the potential for worsening public attitudes toward the insurance industry due to a series of regulatory challenges to sales practices, and decided this issue could help us blunt that impact. We determined that working on this issue would provide enhanced opportunities for our field force, and pay dividends to our overall corporate image. This decision was also based on several national surveys indicating that consumers are more prone to do business with a company that has a reputation for being a good corporate citizen.

3. How has the organization addressed the issue?

Prudential has developed a broad, nationwide initiative – The Prudential Spirit of Community Initiative – to help rekindle America's community spirit by exposing young people to the value and importance of giving back to their communities. The initiative includes:

- The Prudential Spirit of Community Awards, a national recognition program honoring middle and high school students for outstanding acts of community service, to identify and publicize role models who might inspire other youngsters to follow their example. This program is administered jointly with the National Association of Secondary School Administrators Association, the National Middle School Association, Boys & Girls Clubs of America, the National 4-H Council, and other organizations.
- The Prudential Youth Leadership Institute, a community leadership training program that teaches high school students how they can make a difference in their communities. The Institute was developed in partnership with Youth Service America and the Center for Creative Leadership, and will soon be promoted by the Points Light Foundation.
- The Prudential Spirit of Community Forums on Youth Volunteerism, a series of community conferences focusing on the opportunities and barriers facing young people who are interested in volunteer service.
- “Catch the Spirit,” a colorful booklet of information and ideas on volunteer opportunities for young people, published in cooperation with the U.S. Department of Education.
- The Prudential spirit of Community High School Journalism Awards, a program recognizing high school journalists for coverage of youth volunteer subjects, administered by Northwestern University’s Medill School of Journalism.
- The Prudential Spirit of Community “KidSpirit” program, which provides small grants to elementary school grouping selected metropolitan school districts to conduct local community service projects.

In implementing these programs, we have used a broad array of issues management communications strategies, including:

- Partnerships with leading organizations to provide additional impact, credibility and tactical assistance.
- Extensive involvement and communications with elected officials on the local, state and national level.
- Advertising, press releases, video new releases, public service announcements, mat stories, an Internet website, specially commissioned music, videotape, and hundreds of thousands of pieces of mail.
- Public opinion polling.
- Prudential has also become a leader in developing programs to promote employee volunteerism:
- Prudential’s Global Volunteer Day, held every October, engages thousands of company employees around the world – and their families – in a wide variety of volunteer projects to benefit their communities
- The Prudential Community Champions program rewards dedicated employee volunteers by providing grants to the non-profit organizations that they support.
- The Prudential CAREs program designs, promotes and encourages local and national volunteer efforts by active and retired associates in a broad range of projects.

4. At what levels do members of the organization participate in addressing the Issue?

Employees at almost every level of the company participate in these programs. The Prudential Spirit of Community initiative was conceived and is directed by member of senior management, including Chairman Art Ryan, who, for example, personally presents medallions to the top honorees in the awards program. Numerous middle managers are involved in coordinating and promoting the initiative in various locations, and hundreds of

sales representatives across the nation participate in facilitating the awards program, assisting with the training program, and distributing "Catch the Spirit" booklets. Participation in the company's employee volunteer programs also extends from the chairman's office all the way to local insurance offices.

5. Which constituent groups are affected?

The primary constituents affected by these programs are teenagers, parent, educators, community leaders, government officials and members the news media.

6. How are constituent concerns considered and acted upon?

At the outset of the Prudential Spirit of Community Initiative, Prudential commissioned the Wirthlin Group to conduct a telephone survey of nearly 1,000 high school students to determine their attitudes toward their communities and community service. The results then guided the development of the Initiative's component programs. Middle and high school principals have also been surveyed, and opinions and concerns of parents have been solicited through focus-group research sessions, and program modifications have been implemented as a result. In addition, we communicate with and solicit feedback from local, state and federal government officials on a regular basis. All significant constituent concerns are evaluate- and, if warranted, acted upon – by the Initiative's management team.

7. What is the key objective of the issue management program?

The key objective is to improve the business environment for the company and its representatives by helping to reverse the decline of community involvement that is currently evident in American life, and by communicating to key constituents that Prudential and its employees are concerned about the vitality of our communities and are actively working to make them better places to live.

A shorter-term subsidiary objective was to counter some of the unfavorable press coverage and reputational damage resulting from questionable sales practices in Prudential's individual insurance companies. By wrapping the company in an issue that is clearly a concern to all and by identifying with the good cause of volunteerism, we gained important endorsements from elected officials. The endorsements enhanced Prudential's image as a good company doing good things for the community.

8. Does issue management make a direct contribution to the organization's profitability? If so, how?

This initiative is expected to provide a long-term contribution to Prudential's profitability by: countering a trend that is complicating the job of selling financial services through community-based sales representatives; enhancing Prudential's image among current and future purchasers of financial services; and providing immediate opportunities for the company's sales representatives to build their own visibility, goodwill and prospect networks in local markets.

Although this is exceedingly difficult to quantify, one measure of the program's impact is the fact that press coverage alone has generated more than *1 billion* impressions so far for Prudential and youth volunteerism. And so far in 1997, press coverage and public service announcements on the program have delivered more than \$4 million in equivalent advertising value.

In addition, our sales representatives say that the program creates a good image for Prudential and helps position them as positive contributors to the community. That is why literally hundreds of sales representatives across the country participate in the program. A positive local image equals more local sales.

9. What are the results?

- More than 20,000 young people have participated in The Prudential Spirit of Community Awards program during its first two years, and more than 7,000 have been officially honored as outstanding community service role models. An additional 20,000 are expected to take part this year.
- 200,000 copies of "Catch the Spirit" have been requested and distributed through the federal government's Consumer Information Center in Pueblo, Colorado, and through Prudential offices. An additional 200,000 are being printed this fall.
- 1,200 high school students in 40 cities have been trained in leadership and community service skills through the Prudential Youth Leadership Institute. Due to a major expansion beginning next year, the institute is expected to train 8,000-9,000 students over the next three years.
- More than 500 Prudential employees have participated directly in The Prudential Spirit of Community Initiative, many of whom have reported tangible marketing benefits in their communities.
- News stories, advertisements and public service announcements on Spirit of Community Award winners and the topic of youth volunteerism have been seen by millions of television viewers, radio listeners and magazine and newspaper readers.
- The Spirit of Community Initiative has attracted the participation of such major public figures as President Jimmy Carter, Sen. Bob Kerry, Sen. Bill Bradley, American Red Cross President Elizabeth Dole, actor Richard Dreyfuss, Dept. of Education Secretary Richard Riley, and Gov. Mario Cuomo.

Nomination submitted by:

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