



A Culture of Giving

**An Interview with Harold McGraw III, Chairman, President,
and Chief Executive Officer, The McGraw-Hill Companies, and Chairman, Business Roundtable**

EDITORS' NOTE *With a BA from Tufts University and an MBA from the University of Pennsylvania's Wharton School of Business, Terry McGraw joined The McGraw-Hill Companies in 1980 and has since held a number of senior managerial and executive positions, including Vice President of Corporate Planning, President of McGraw-Hill Publications Company, and President of The McGraw-Hill Companies' financial services business unit. He was elected President and COO of The McGraw-Hill Companies in 1993, CEO in 1998, and Chairman of the Board in December 1999.*



Harold McGraw III

COMPANY BRIEF *New York-based The McGraw-Hill Companies (www.mcgraw-hill.com) is a global information services provider, operating in the education, media, and financial services markets through more than 280 offices in 40 countries. Its leading brands include Standard & Poor's, the world's leading provider of independent equity research, market indices, and credit ratings; BusinessWeek, the number one global business magazine in print and online; and McGraw-Hill Education, one of the world's largest publishers, covering virtually every aspect of the education market, from prekindergarten to professional learning.*

How important is community involvement to McGraw-Hill, and how do you engage your employees in this process?

Our commitment to corporate responsibility is woven into the fabric of our company. It's an integral part of the way we do business and guides how we conduct ourselves every day. For us, corporate responsibility and good corporate citizenship are about maintaining trust, demonstrating integrity, responding appropriately to new risks, meeting societal needs, being responsive to environmental concerns, exceeding stakeholder expectations, and capitalizing on new opportunities. This philosophy attracts a special kind of employee. All over the world, our employees freely give their time and energy to enrich their communities, and we offer a wide range of community programs to help them get involved and make a difference.

For the past five years, for example, we have organized what we call our Global Volunteer

Day. This year, 3,500 employees took part in 160 community projects around the world. The program has been very successful and keeps growing.

Our Writers to the Rescue initiative is another great example of how people use their talents and resources to help others. The project matches employee volunteers and their writing and communication skills with nonprofits in need of assistance in those areas.

We also support our employees' investment of time and money through our annual Employee Giving Campaign, by matching dollar-for-dollar contributions up to \$3,000 a year to a variety of nonprofit groups, including many health and human service organizations.

With so many needs for assistance today, how do you focus your giving effort?

The primary focus of our corporate giving is financial literacy and, more broadly, economic empowerment. Many of the groups we support provide professional development to teachers, to assist them in incorporating financial literacy into their daily lives and classroom instruction.

With Standard & Poor's, McGraw-Hill Education, and our Information & Media businesses, supporting programs that are dedicated to economic empowerment and financial literacy is consistent with our company's mission. This focus provides us with greater opportunities to align our core competencies, leverage resources across all business operations, and enhance the impact of our grant making.

Given all the challenges it faces, will New York continue to be the financial capital of the world?

What concerns me for our country is that we are at risk of losing our competitive advantage to other nations. The world is rapidly growing up around us, and while our educational system used to be the envy of the world, our students are finding it harder and harder to compete in the global marketplace. As a result, we need to rededicate ourselves to strengthening education across the board – from prekindergarten through professional learning. I'm pleased to see that there recently have been signs of improvement, but there's a lot more work to be done, both here in New York and across the nation. Simply put, our country cannot remain competitive in the global economy without a well-educated, well-trained workforce. That's

why Washington needs to stop talking about improving education and begin to take real, bold steps to make it a reality.

Another critical issue for policy makers is trade. International trade has never been more important to the U.S. and New York economies. Over the past decade, exports have accounted for approximately 30 percent of U.S. economic growth. In 1992, 1 in 10 Americans had a job involving international trade; today, it is nearly 1 in 5. Yet protectionist sentiment is growing in some circles at a time when we should be embracing open markets. To start, Congress should pass the three pending trade agreements with Colombia, Panama, and Korea.

Finally, in order for New York to maintain its status as the capital of the financial world – which I believe it will – it needs to maintain a business-friendly environment. The world is becoming more competitive, with technological innovation increasingly enabling business to be conducted from anywhere. Therefore, we need to be mindful of the burdens of high taxation and excessive regulation, issues that many business leaders consider when they are deciding where to locate their operations.

Is there an effective public/private partnership in New York?

Public/private partnerships are vitally important to shaping public policy, which is why it's critical to have leaders from government, business, and the community all working together toward a common goal. We're fortunate to have that dynamic in New York. Just look at education. The hard work of teachers and parents, together with the leadership of Mayor Bloomberg and Schools Chancellor Klein, has produced encouraging results in recent years.

At The McGraw-Hill Companies, we have seen firsthand how public/private partnerships can make a difference. One terrific example is the wonderful relationship we have developed over the years with Morris High School in the Bronx. Many of our employees serve as mentors there, and we provide Morris High students with internships, scholarships, and other school-to-career opportunities. The partnership provides a rich and meaningful relationship for the students, as well as for our employees. This association broadens the students' appreciation of the academic, career, and cultural opportunities available to them. It provides them with a unique insight into the world of work and gives them a chance to discover a range of career opportunities. ●