



SESSION NOTES

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Chairman and CEO, Carlson

- In 1971 a group of corporate leaders in Minnesota gathered at the Mayo Foundation House, and joined by President Johnson, were inspired to spend money on charitable causes.
- Minnesota companies started the Keystone Program and originally agreed to give 5% of their pre-tax earnings to charitable causes. Back then, the national average for corporate giving was 0.7% of pre-tax profit. The Keystone Program now requires participants to give at least 2% of pre-tax profit.
- It's now a cultural phenomenon—CEOs in Minnesota call on new CEOs to contribute to our communities.
- Minnesota has one of the highest graduation rates, more theaters per capita than New York City, contemporary art museums, and more, because we created a philanthropic culture at home.
- Making the city a nice place to live engaged employees. And companies learned that the pool of prospective employees would help build globally competitive corporations.
- Charity really begins at home, keeping in mind that we can't give domestically and not internationally. We must do both.

On corporate citizenship and corporate philanthropy:

- We, at Carlson, believe that the best philanthropy is a career, a job. Our fundamental responsibility is the vitality of our organization, leading our company with integrity, with a sense of security for our employees.
- Infrastructure follows development. We can focus on the tourism industry – within our corporate structure. The more the tourism business grows, the more the infrastructure gets developed, and the economy grows.
- Leadership is about changing your organization for the better. It's not about power and money, but responsibility.
- The people who can change their company's level of responsibility for the better are those who connect the dots. You are the leaders who can and must help your organization connect the dots.
- You, as leaders, have the opportunity to connect community efforts and corporate success. You can help your organization impact local and national policy makers. And if you engage in that kind of work, you can come into the free market system.

On authenticity:

- **The world is crying out for authenticity, to trust someone.** You read the extraordinary statistics as to how little our politicians and corporations are trusted.
- But underneath, people would like to believe that change is possible, that we can make a difference. This puts you in the sweet spot. You can put that in motion—that sweet human desire to make a positive difference.
- You can put metrics, discipline, and professionalism around corporate philanthropy and make it work. Bring your left and your right brain to this job and make it a success.





- I understand that the U.S. counts on our giving locally, but what we do together makes us real global leaders.
- Yes, giving helps our foreign policy, if we're engaged with diplomacy. But if people read about our own streets and the major social concerns that are being overlooked—can we really be considered authentic in our efforts?? I don't think so.
- I think you can justify investing where your people are. It's the pool you draw from, and the people who you need to engage.
- At Carlson, we'd like to think we're creating a community of people who care.
- In communities where we have major employment centers, we need to engage the community.
- We come from an entrepreneurial heritage and we follow this credo: whatever you do, do it with integrity. Whatever you do, do it as a leader. Whatever you do, never give up.
- Integrity goes back to our brand promise, having a consistent approach to dealing with our employees and walking the talk.
- Our people are engaged – they look for engagement.

Carlson's commitment to higher education:

- From the beginning we learned that education was key—we hired a lot of people from the University of Minnesota.
- The first major grant we made, we gave a challenge grant to the University of Minnesota to create a public policy institute.
- We at Carlson became aware that some of the most provocative thinkers are brought into bigger organizations. The students and the retirees don't share the experience that forms their collective thinking. We were competing for professors with every kind of private organization.
- The University turned to the private sector and at Carlson, my dad and I became involved in the first drive to raise money for a university.
- As we watched the market grow, we moved into working with the business school.

Carlson's commitment to diversity:

- We recognize the importance of diversity. We were looking to draw excellent male AND female leadership. We discovered that law and medicine have 50% women but business schools are at 30%. We saw that as an issue.
- In order to have a pool of potential, qualified employees, we need to ensure women are receiving excellent educational opportunities.
- We looked at root causes, we looked at how the testing was, how the environment was...we created opportunities for mentorship, etc. And now the University of Minnesota has the highest percent of women in any of the big 10.
- Locally, we realized that the white population was gaining ground while the minority population was losing ground. Forty leaders came together to create a project to look at childhood development, issues that weren't being adequately addressed—we are working to change existing infrastructures.





Local and global giving:

- While looking for something that was authentic to the Carlson brand, and studying the changing market forces, as a company we became founders of the World Childhood Foundation to assist street children and prevent human trafficking.
- We started looking at the root causes of homelessness, and partnered with the U.N to work to change policy and rehabilitate the kids.
- Carlson hotels have adopted a multi-faceted approach to a subject that is closely related to travel and tourism.
- When you step out of your immediate goals, you have an opportunity to inspire others.
- Identify what is at the core of your business and commit your corporate culture to a long-term view of philanthropy.

Personal anecdote:

- Sometimes we have a moment when we have an extraordinary insight that changes us forever.
- My first grandson was born here in New York. When I reached into the cradle and took him in my arms, I suddenly got this feeling that I could not protect him. I could not build walls strong enough to protect him from those children who had nobody to pick them up with such love and care.
- What is done to our children they will do to society. We, at Carlson, hope to save a few so that we'll have a better world.

The above are paraphrased notes from a speech originally presented on June 5, 2007.