

**Paper Number:** PN042048

**Paper Title:** Revisiting Nonprofit Theory

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**Description**

In the 1970s and 1980s, pioneering theoretical work was done by several scholars including Weisbrod, Salamon, James, and Rose-Ackerman. This work significantly advanced our understanding of the nonprofit sector. In the last 25 years, though, the world of nonprofit organizations has changed with major new developments including: increased competition between nonprofits and for-profit organizations providing similar services; the rise of hybrid organizations; the conversion of nonprofits to for-profits and vice versa; the flowering of NGOs in newly democratizing countries such as Eastern and Central Europe; and the increased dependence of many nonprofits on government revenues and fee income. Despite these profound changes and developments, the benchmark theories for nonprofit scholars are the theories developed over 25 years ago. To be sure, these theories may still be very relevant. What is needed is more straightforward and direct attempts to test these theories in light of new developments. This panel brings together three nonprofit scholars who are interested in revisiting the prevailing theories of nonprofit sector research. Collectively, the papers provide new theoretical insights, new empirical tests of these theories and help provide the basis for a research agenda to guide nonprofit sector researchers. Professor Avner Ben-Ner's paper is a particularly important and creative examination of the relative roles of the nonprofit, forprofit and public sectors and the relationships among these sectors. Professor Helmut Anheier's paper is part of a larger project to develop new theoretical understandings of the nonprofit sector that encompass the great differences in the size and scope of the nonprofit sector across countries. Professor Steven Rathgeb Smith's paper focuses on the transformation of social and health services in the United States and abroad. He then offers a conceptual framework to help understand these changes in services (including the changing roles of nonprofit service agencies). The panel is chaired by Professor Eleanor Brown who has a long-standing interest in new approaches to nonprofit theory and research. The panel is also diverse from a disciplinary perspective: Professors Brown and Ben-Ner are economists; Professor Anheier is a sociologist; and Professor Smith is a political scientist.

**Paper Number:** PN042048.1

**Paper Title:** For-Profit, State, and Nonprofit: How to Cut the Pie among the Three Sectors

**Author(s):**

Avner Ben-Ner, University of Minnesota, Minneapolis, MN, USA

**Summary of Research**

What is the best way to deliver various goods and services in the advanced complex economy? What is the appropriate division of labor among the state, the private for-profit, and the nonprofit sectors? This paper explores these questions relative to the well-being of consumers, and offers a set of broad answers grounded in a benefit-cost analysis.

**Description**

What is the best way to deliver various goods and services in the advanced complex economy? What is the appropriate division of labor among the state, the private for-profit, and the nonprofit sectors? This paper explores these questions relative to the well-being of consumers, and offers a set of broad answers grounded in the analysis of the relations between different types of organizations and their consumers, and the internal organization of these types of organizations. The past two decades were a time of great changes, with enormous technological advances and much economic, social, political, demographic, and organizational change. This is a good time to ask questions of the role of the three sectors in the complex, diverse and ever-changing economy. Why do multiple types of organizations coexist in the same economy, sometimes side by side in the same industry? The answer that I offer is that different types of organizations have different advantages and disadvantages and that the balance of advantages and disadvantages depends on factors that vary across industries and countries.

**Paper Number:** PN042048.2

**Paper Title:** Nonprofit Theory and the Mixed Economy of Care

**Author(s):**

Steven Rathgeb Smith, University of Washington, Seattle, WA, USA

**Summary of Research**

In the 1970s and 1980s, pioneering research was done by several nonprofit scholars including Hansmann, Weisbrod, Salamon, James, Rose-Ackerman and Steinberg on the underlying reasons for the creation of nonprofit organizations. Since this period, much discussion and research has been undertaken that builds upon this initial work. My paper seeks to revisit these theories and test them using empirical research on social and health services.

**Description**

In the 1970s and 1980s, pioneering research was done by several nonprofit scholars including Hansmann, Weisbrod, Salamon, James, Rose-Ackerman and Steinberg on the underlying reasons for the creation of nonprofit organizations. Since this period, much discussion and research has been undertaken that builds upon this initial work. My paper revisits these theories and test them using empirical research on social and health service agencies. These organizations are a particularly good type of service to test theoretical assumptions about nonprofit organizations. The mix of for-profit, nonprofit and public health and social service agencies has changed substantially in the US in the last 25 years especially in service categories such as daycare, drug and alcohol treatment, and mental health care. Using recent research on the changing mix of services, I will examine the implications for nonprofit theory and propose an agenda for future research.

**Paper Number:** PN042048.3

**Paper Title:** Constructing Nonprofit Theory: What are the Issues?

**Author(s):**

Helmut Anheier, University of California, Los Angeles, Los Angeles, CA, USA

**Summary of Research**

The paper suggests that the theoretical agenda for the nonprofit field, established in the early 1980s, no longer serves the purposes of contemporary theory construction. The paper outlines an updated and revised research agenda, with a particular emphasis on comparative aspects.

**Description**

The paper suggests that the theoretical agenda for the nonprofit field, established in the early 1980s, no longer serves the purposes of contemporary theory construction. There are three essential reasons for this: first, the earlier agenda took organizational form largely for granted and did not emphasize form transition. As a result, theories are static and struggle to take account of dynamics. Second, the unit of analysis is organizational, and came at the expense of theoretically relevant questions at the individual or the institutional level. Third, there is a serious disjuncture between theoretical models and the hypotheses that follow from them on the one hand, and available data systems on the other, leaving many aspects of nonprofit theories untested but not necessarily untestable. As a consequence, for these and other reasons, the agenda fails to provide the direction and impulse necessary for moving the task of theory construction forward. The paper outlines an updated and revised research agenda, with a particular emphasis on comparative aspects.

**Paper Number:** PN042049

**Paper Title:** Giving in the Netherlands

**Author(s):**

Theo Schuyt, University, Amsterdam, Netherlands

**Description**

This panel session presents different types of studies that can be labelled under the title 'Giving in the Netherlands'. The studies are conducted by the Department of Philanthropy at the Vrije Universiteit Amsterdam. We discuss methodological as well as substantive issues in this panel session. Methodological issues discussed concern survey and questionnaire design and their consequences. Substantive issues discussed concern corporate philanthropy, charitable giving by households, and differences between the US and the Netherlands in philanthropy. This session is interesting for both researchers and practitioners. The papers presented contribute to improving the methodology of survey research on giving and volunteering and to integrating theories on giving and volunteering from different academic disciplines.

In the first paper of this session, professor Theo Schuyt, director of the Department of Philanthropy, will focus on the development of a 'philanthropy scale' to measure pro-social behavior. Whereas other scales (such as 'the altruism-scale' and 'the social value orientation-scale') are mainly focused on interpersonal behavior, the philanthropy scale seeks to take long-term commitments and stewardship into account. Moreover, Theo Schuyt will address the design of the 'Giving in the Netherlands Panel Survey' (GINPS). This instrument is used to measure giving and volunteering by households and individuals. The GINPS is unique in its extensive measurement of giving and volunteering behaviors as well as social values and parental background characteristics. The GINPS will be elaborated upon in the next two papers.

In a methodological paper presented by Pamala Wiepking, we delve deeper into the question of how 'methodology is destiny' in giving by households. The paper analyzes the effects of survey methodology on estimates of the volume of donations as well as the determinants of giving by households. The paper improves upon previous studies showing that in the measurement of giving and volunteering 'Methodology is Destiny' (Rooney, Steinberg & Schervish, 2001, 2002) by showing how different questionnaires lead to different estimates of determinants of giving.

René Bekkers, postdoctoral researcher at the Department of Sociology at Utrecht University, presents preliminary results of the second wave of the GINPS. This paper analyzes changes in charitable giving by households between 2001 and 2003. Based on a theoretical framework that integrates the civic voluntarism model from political science (Brady, Verba & Schlozman, 1995) with psychological theories on motivations for prosocial behavior and sociological theories on volunteering (Wilson & Musick, 1997; Wilson, 2000) and social capital (Lin, 2001), hypotheses are tested on changes in giving.

In the fourth paper of May-May Meijer, Frank de Bakker, Johannes H Smit and Theo Schuyt, the focus will be on 'Corporate giving' in the Netherlands. In this paper the focus will be on 'the Business Monitor', that is a research instrument that is used by the department of Philanthropy to study corporate giving. This instrument is unique in its extensive measurement of corporate giving in the Netherlands as well as motives for corporate giving. Empirical data will be presented of corporate donations in the Netherlands in the period from 1995 till 2003.

Barabara Gouwenberg will discuss in the final paper of the panel session, the strategies that endowed foundations use to cooperate and to communicate with others. The Dutch endowed foundations used to be inconspicuous for a long time, but they moved gradually to a more open attitude. This process of 'professionalism' is studied from an inter-organizational theoretical perspective. Additionally, empirical results about the 'cooperation and communication strategies' of the endowed foundations will be presented.

**Paper Number:** PN042049.1

**Paper Title:** Developing a Philanthropy-Scale in the Golden Age of Philanthropy

**Author(s):**

Theo Schuyt, University, Amsterdam, New Caledonia

Johannes H Smit, Amsterdam, Netherlands

Rene Bekkers, Utrecht University, Utrecht, NETHERLANDS

**Summary of Research**

Private contributions to the public good are getting weight in welfare states in Western Europe. To measure pro-social behavior some validated scales are available, e.g. the altruism-scale and the "social value orientation-scale". Both attitude scales, that measure interpersonal behavior, are part of the "Giving the Netherlands" questionnaire. The altruism scale is based on social-psychological theories and the social value orientation-scale is based on game theory. Philanthropy is more than interpersonal relationships however. It expresses long-term commitments, it concerns stewardship and social responsibility for the well-being of society as a whole. For that reason the making of a "philanthropy-scale" is underway.

**Description**

Welfare states in Western Europe are in transition. Demographic changes, growing wealth, cultural and political developments at national as well as European level trigger fundamental shifts in economic, social and political institutions. As a result the constituencies of the social arrangements are changing: responsibilities are re-estimated; sources of financing are re-allocated. The "public good", the core services of welfare states will, in the future, financially rely on three sources of contributions:

- a. government funding
- b. fees and charges
- c. philanthropy (Salamon and Anheier 1999).

This transformation of the societal conditions influences directly the philanthropic behavior of individuals; some people will continue their existing behavior; other will react on their own manner on the growing number of appeals to contribute.

To measure pro-social behavior some validated scales are available. So, in the Netherlands, the altruism-scale (Drenth and Kranendonk) is well-known and frequently used. A different instrument of measuring positive social action has been developed a.o. by Liebrand and Van Lange. This is the so-called "social value orientation- scale"(Van Lange et al.). Both scales are an integrated part in the "Giving the Netherlands" questionnaire. Both scales are attitude-scales which measure interpersonal behavior, on micro-network level. The altruism scale is based on social-psychological theories and the social value orientation-scale on game theory.

Philanthropy, to be shortly defined as: private action for the public good (Payton) covers a behavior more far-reaching than interpersonal relationships. It expresses more long-term commitments, it concerns stewardship and social responsibility for the well-being of society as a whole. To be measured, philanthropy invites to study man as a societal being. It leads to sociological and cultural anthropological theories, next to the social-psychological ones.

For that reason the making of a "philanthropy-scale" is underway. In the paper, first the necessity of the scale is underpinned. What makes this new scale differ from the variety of existing scales?

Secondly the goals of the philanthropy-scale will be formulated: it tries to explain philanthropic behavior (explanation), it tries to measure the prevalence (how many people?), the distribution (what people?), consistence (will the attitude persist under what conditions? ) and universality (is the scale valid for different societies and cultures around the world?)

The scale consists of 10 items; It was first used in the survey 2002; it is remeasured in the survey 2004. The paper will discuss the items and results of the two try-outs.

The 'Giving in the Netherlands Panel Survey' provides detailed information on charitable giving and volunteering activities of a representative sample of 1,707 individuals in Dutch households. The first wave was held in 2002; a second in 2004 and a third wave will be held in 2006. The random sample of the Giving in the Netherlands Panel Survey consisted of 1,707 individuals selected from 40,000 households in the Capi@home-pool available to NIPO (Netherlands' Institute of Polling research). Households in the pool receive a computer with Internet-connection in exchange for participation. Self-administered polling surveys are offered weekly to different sub samples of the pool. Completing a survey is rewarded with a number of token points depending on the length of the survey completed. At the end of the survey, the points can be exchanged for a voucher, or, alternatively, for a donation to a charitable cause.

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**Paper Number:** PN042049.2

**Paper Title:** To give or not to give, that's the question. The influence of survey methodology on the predictor variables of donating behavior

**Author(s):**

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### **Summary of Research**

This paper considers the question to what extent key predictors of philanthropic behavior are influenced by the methods and measurements used to analyze giving and volunteering. We expect that people who give more will be able to recollect their donations better - even in short questionnaires-, because 'to give or not to give' is a more salient issue in their lives. Results show that people who are lower educated, frequent church visitors, and those who are political right oriented recollect having made higher donations when more questions are asked, leading to stronger parameter effects for those variables when using longer survey modules.

### **Description**

There is a lively debate in research on giving and volunteering on how to ask respondents about their philanthropic behavior. Different survey methodologies to measure giving and volunteering may lead respondents to report dramatically different levels of philanthropic and civic engagement (O'Neill, 2001; Rooney, Steinberg & Schervisch, 2002; Steinberg, Rooney & Chin, 2002). More extensive questionnaire modules with a higher number of survey prompts uncover a greater incidence of giving and volunteering, as well as higher amounts of money donated and a higher number of hours volunteered by respondents. However, economists and social scientists are not so much interested in the absolute magnitude of giving, but rather in the relations of giving and volunteering with economic and social conditions. Rooney, Steinberg & Schervisch (2002) assume that 'the various survey modules do not alter the coefficients of other variables' (i.e., predictors of giving and volunteering). However, it is unclear to what extent this assumption is valid.

This paper therefore addresses the issue how different methods of measuring giving and volunteering lead to different parameter estimates for effects of predictor variables. Our objective is to answer the question: "To what extent are the key predictors of donating and volunteering behavior influenced by the methods used for measuring giving and volunteering?"

We question this assumption on theoretical grounds and provide empirical evidence showing that methodology is not only destiny in the estimated volume of donations, but also in the estimates of effect sizes for predictors of giving. Our main argument is that shorter survey modules lead to underreporting of smaller donations. Because small donations are made by respondents with different characteristics than large donations, different survey modules lead to different parameter estimates for effects of predictor variables.

How likely is it that different methods to measure giving and volunteering affect the effects of independent variables? We expect that method effects lead to considerable differences in the effects of many characteristics of (non)donors and (non)volunteers. Many charitable gifts are not very salient acts in life. Small donations in response to door-to-door fundraising campaigns or street canvassing are part of everyday routine. Such donations are less likely to reflect a strong involvement with the cause supported than large donations that are the outcome of careful deliberation. In concise questionnaires, small donations are likely to be underreported. Underreporting may be more common for some groups of respondents than for others. As a rule, those who give more will know better what they give because 'to give or not to give' is a more salient issue in their lives. Therefore, for those who give more, short questionnaires will reveal stronger relations of independent variables with giving. For instance, persons with lower incomes are less likely to make large donations. When these small donations are more likely to be underreported, the difference between low and high incomes in a short giving questionnaire is large.

However, knowledge about giving is not only a function of actual giving, but also of the division of labour within households on financial decisions and of general cognitive competence. Because women more often make decisions about charitable giving within households -17.8 % of all women with a partner decide alone to what causes they donate, as opposed to 9.3 % of all men with a partner-, they are more likely to know what the household gives, and will report more accurately in short modules. Furthermore, we assume the higher educated are more likely to report accurately what they give because they have a better trained memory.

We test the impact of differences in survey methods to measure giving and volunteering with two national surveys from the Netherlands: the lengthy Giving in the Netherlands Panel Survey (henceforth abbreviated as GINPS01) and the very short Family Survey of the Dutch Population 2000 (henceforth: FNB2000).

As in previous research, we find that lengthier questionnaires reveal a higher incidence of donations and volunteering activity, as well as higher amounts donated and hours volunteered. The 'very short' module used in the FNB2000 revealed volunteering activities in the past month among 28% of the Dutch population, 24% lower than the estimate of 52% using the lengthy 'area' module in the GINPS01.

The number of hours volunteered reported in the GINPS01 is about twice as high than in the FNB2000. The very short module used to measure charitable giving in the FNB2000 revealed a mean donation that was 35% lower than the area module used in the GINPS01. The differences are least pronounced for the incidence of giving (79% vs. 82%).

Preliminary results show that different survey modules do lead to differences in parameter estimates for predictor variables of giving and volunteering. Longer survey modules help people recollect their donations better. In GINPS01 people who are lower educated, frequent church visitors, and those who are political right oriented recollect significantly higher donations than in the very short module FNB2000. This result shows that not only small donors (lower educated and political right orientated) have problems remembering their donations, but also large donors (frequent church goers) need some help when thinking about their good deeds.

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**Paper Number:** PN042049.3

**Paper Title:** Corporate giving in the Netherlands 1995-2003: some empirical findings

**Author(s):**

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**Summary of Research**

Corporate giving as an expression of corporate social responsibility (CSR) is somewhat less examined than the more general theme of CSR, while most research in this area focuses on an Anglo-Saxon tradition. This paper provides an overview of corporate donations in the Netherlands in the period from 1995 till 2003, based on a biennial survey of Dutch corporations as part of the 'Giving in the Netherlands project'. Based on these findings, recent developments in corporate giving can be sketched out. Combined with some theoretical perspectives, tentative explanations of motives for corporate giving behavior are generated.

**Description**

Companies' activities for the public good receive a lot of media attention in the Netherlands. TPG Post is in the news due to its cooperation with the United Nations in the World Food Program (Klok, 2004); Vossen concludes in the daily nationwide newspaper 'de Volkskrant' (2004) that it is not the question if but how companies will be involved in foreign aid. Similar suggestions are found in the literature. Porter & Kramer (2002) state that corporate philanthropy is used more and more as a form of public relations, to promote a company's image or brand. Corporate giving, and corporate philanthropy, thus gradually seem to take in a more prominent position in business strategy (Thorne McAlister & Ferrell, 2002). Nevertheless, there are relatively few empirical studies in this field.

In corporate social responsibility (CSR) literature, corporate philanthropy is often mentioned as one of the four social responsibilities of a company (Carroll, 1979, 1999). Although the general theme of CSR has received a lot of scholarly attention (see for a literature review Whetten et al. (2002)), empirical studies towards the philanthropic responsibilities of companies, are relatively scarce however (Campbell, Moore, & Metzger, 2002). Moreover, many studies and reports about corporate giving are situated in Anglo-Saxon countries (Campbell et al., 2002; Navarro, 1988; Centre for the Study of Philanthropy, 2003). By focusing on corporate giving in the Netherlands, this paper aims to enrich the literature about corporate giving in Europe (Bennett, 1998), by providing empirical results on corporate philanthropy in a non-Anglo-Saxon situation.

The study outlined in this paper offers, we believe, the most comprehensive longitudinal study of corporate giving in the Netherlands. Besides charitable giving, sponsoring expenditures are taken into account as well. The data that were used in this study are part of the 'Giving in the Netherlands' project of the department of Philanthropic Studies (Schuyt, 1999, 2001, 2003). Data for this study were drawn from the 'Business Monitor', a continuing panel study of a representative sample of Dutch companies, by means of 'Computer Assisted Telephone Interviewing' (CATI), maintained by a Dutch market research organisation. Respondents in this monitor are members of the management team or owners of the company. The polls were conducted at four points in time, 1996, 1998, 2000 and in 2002. Note that the representatives of the companies are asked to indicate the figures about corporate giving of last year. This means that in the survey of 1996, data are obtained about corporate giving in 1995. In 2002 a total of 998 companies participated in the survey. The sample size was relatively large for a survey of corporations (Coy & Nolan, 1992; Logsdon, Renier, & Burke, 1990; Marx, 1999; Murray, 1991; Zippay, 1992), thus providing an interesting view of corporate giving in the Netherlands.

With these empirical findings in hand, a link to theoretical motivations can be made. After all, the empirical data give an insight in how much firms have donated and for what reasons. In theory, suggestions have been put forward concerning firms' motives to give: altruistic, managerial, political, and strategic motivations (Campbell et al., 2002; Sánchez, 2000). The data presented here can contribute to an empirical examination of these theoretical notions.

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**Paper Number:** PN042049.4

**Paper Title:** Endowed foundations in the Netherlands: balancing between closeness and openness

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**Summary of Research**

The Dutch endowed foundations have been inconspicuous to the point of near-invisibility for a long time, despite full and active involvement in a large number of areas. Gradually, however, they are more and more visible in society and concepts such as openness, profiling and cooperation are becoming important. This - so-called - process of professionalization of foundations is a central subject of this paper. We discuss the results of an empirical study into the strategies foundations have to cooperate and communicate with others. 320 Dutch endowed foundations were participating in this study.

**Description**

In the Netherlands, 'endowed foundations' have a centuries-old tradition. Although very active in many fields, they are often inconspicuous to the point of near-invisibility. Their activities go largely unnoticed by policy-makers, government and academia alike. In many cases, the decision of foundations to operate in anonymity is a conscious one. They wish to retain their independent and autonomous status. However, a gradual shift in culture can now be detected throughout the Dutch philanthropic sector, and among the endowed foundations in particular. The government has opted for less direct involvement, whereupon the significance of private finance has increased. This means greater demands on the private endowed foundations. The social significance of the sector has increased, whereupon its status has also been enhanced. Processes of profiling and professionalization are being undertaken throughout the sector. In order to ensure a more responsible use of their funds, the foundations are looking at what their counterparts do. They can then work more effectively and in a more targeted manner. Concepts such as cooperation, the exchange of information, profiling and openness are becoming more and more significant for the Dutch foundations.

Professionalization and profiling of foundations are the central subjects of this paper. Attention is paid to questions as: 'do the endowed foundations cooperate and communicate with others? How do they cooperate and communicate? Which strategies do they have in their cooperation and communication with others? How do they try to attain their apparent opposite goals: serving the public and society in general at one hand, while keeping their autonomy at the other? How do they balance between closeness and openness?

Theories of organizational behavior will be used to answer these questions. The 'contingency theory of organizations' is used to get a better understanding of the relationship between foundations and their environment (external). Theories about inter-organizational processes will be helpful to get more insight into the foundations mutual relations (internal).

The social 'invisibility' of the Dutch endowed foundations is reflected by the lack of academic knowledge in this field. Very little research has been conducted into these foundations. However, an empirical study in 2003 among 320 foundations in the Netherlands attempt to fill in some of the gaps in existing knowledge.

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**Paper Number:** CO043409

**Paper Title:** Building Capacity for Sustainability - Unleashing Philanthropic Resources

**Author(s):**

Richard Bush, Southern Illinois University at Edwardsville, Edwardsville, IL, USA

John McClusky, University of Missouri at St. Louis, St. Louis, MO, USA

Sue G Fisher, Nonprofit Services Consortium, St. Louis, MO, USA

**Summary of Research**

Incorporating the theories of social capital, leadership development, organizational and community capacity building, this panel will discuss the processes and outcomes of the first 18 months of a project funded by the W.K. Kellogg Foundation under its "Unleashing Resources" Initiative. Panel members include the project leader, members of the implementation team and participant agency representatives.

**Description**

"Community capacity building is a process of developing the assets of communities to improve the quality of community life; it is the process of increasing the ability of groups to "define, assess, analyze, and act" to address important concerns of their members (Gibbon, Labonte, and Laverack, 2002; Labonte and Laverack, 2001)." The Building Capacity for Sustainability Initiative (BCSI) of Nonprofit Services Consortium (NSC) has been designed to develop and promote the individual, organizational, and community capacities necessary for East St. Louis (Illinois) and surrounding neighborhoods to build a civil, safe and economically stable community. There are four approaches to community capacity building (Chaskin, Brown, Venkaresh, and Vidal, 2002). Three will be used in this project to facilitate community capacity building in East St. Louis; these are leadership development, organizational development, and fostering organizational collaboration. Leadership development is being implemented by NSC through formal and informal training, consulting, and mentoring of organizational leaders, and by recruitment and expansion of the pool of organizational and community leaders who engage in capacity building. This approach to capacity building assumes that leaders with the knowledge and skills for capacity building are better able to mobilize their organizations and community networks in the capacity building process. Organizational development will be implemented by NSC through technical assistant, consultation, and mentoring support and reinforcement of activities of organizational and community leaders to develop sustainable organizational and community capacities. NSC will foster organizational coalitions and linkages among nonprofit organizations through networks and creation of other opportunities, i.e., mentoring, for organizations to meet, share and exchange ideas and identify commonalities for which collaborations can be beneficial for the community. Critical to sustainability is the identification, development and enhancement of bonding and bridging social capital. NSC proposes that a four-stage approach will be successful in creating systemic change: building trust, building capacity, building community, bridging communities. A logic model (Kellogg Foundation Evaluation handbook) that frames the NSC theory of change, inputs, activities, outcomes and impacts will be presented. Lessons learned in the initial stages of conceptualization, trust-building, and partnerships for implementation will be enumerated.

**Paper Number:** PN042051

**Paper Title:** Advancing Nonprofit Informatics: Research on Technology in Nonprofit Service Delivery and Management

**Author(s):**

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**Description**

Advancing Nonprofit Informatics: Research on Technology in Nonprofit Service Delivery and Management

The nonprofit sector, it is frequently charged, is a laggard where the adoption and implementation of Information and communication technology is concerned (Grobman & Grant, 1998; Grobman, 2001; Princeton Survey Associates, 2001). On balance, there are nonprofits using technology effectively to pursue their mission and serve their clients and communities.

This panel will explore the use of technology in nonprofit organizations as they go about the day-to-day business of the sector. Three studies demonstrate ways that technology is transforming the nature of nonprofit practice.

Using technology for organizational change in a community mental health agency provides the results of a study of technology-based social interventions within a nonprofit human service organization. The project has important implications for both management and service delivery.

Impacts of Technology on an International Nonprofit, Project Mercy: A Case Study examines the role of technology in a university-nonprofit partnership or collaboration. The paper will explore some of the ways that technology can engender communication and cooperation.

Technology and the Transformation of a United Way Funding Process: A Case Study evaluates the role of technology in transforming the fund allocation process in a large united way. Technology is seen as an enabler of organizational change as well as a way to automate traditional processes.

The panel includes a number of new voices to the ARNOVA family. This includes academics and practitioners. It will provide an exciting and stimulating discussion of the innovative use of technology in the service of the nonprofit sector.

Grobman, G.M. & Grant, G.B. (1998). The non-profit Internet handbook. Harrisburg: White Hat Communications.

Grobman, G.M. (2001). The nonprofit organization's guide to e-commerce. Harrisburg: White Hat Communications.

Princeton Survey Research Associates (2001). Wired, willing and ready: nonprofit human services organizations' adoption of information technology. Washington DC: Independent Sector & Cisco Systems. Available at [www.independentsector.org](http://www.independentsector.org)

**Paper Number:** PN042051.1

**Paper Title:** Using technology for organizational change in a nonprofit community mental health agency

**Author(s):**

Thomas McLaughlin, School of Social Work, University of New England, Biddeford, ME, USA

**Summary of Research**

Using technology for organizational change in a community mental health agency provides the results of a study of technology-based social interventions within a nonprofit human service organization. The project has important implications for both management and service delivery.

**Description**

Using technology for organizational change in a nonprofit community mental health agency

Technology and its uses to change organizational culture and practice is well established in the for-profit world but has had little impact or use in the non profit service delivery program (Grobman & Grant, 1998; Grobman, 2001). This paper explores the use of a computer based tracking and notification system implemented in a community mental health non profit in Southern Maine. The goal of this project was to educate, inform and eventually transform the organizational culture to recognize and develop treatment protocols for people with mental illness who are heavy smokers.

The data suggested that over 60 percent of the clients within the organization smoked at least 19 cigarettes per day for 15 years or more. Through staff surveys, focus groups, data analysis, a new medical questionnaire and screening tool was developed and implemented. Through this implementation process a computer based tracking and notification system was developed which would identify those clients who were heavy smokers and at greatest risk of medical diseases. This data was then integrated back to the organizational leadership and staff to inform practice and administrative issues. This paper will present the data which lead to the development of the tracking and notification system, the obstacles encountered and the prospects for future development and implementation to address other health related concerns.

The paper will add to the scholarly debate about nonprofit technology adoption and will examine an intervention within the context of nonprofit technology. It will add to our knowledge about new forms of social practice.

Grobman, G.M. & Grant, G.B. (1998). The non-profit Internet handbook. Harrisburg: White Hat Communications.

Grobman, G.M. (2001). The nonprofit organization's guide to e-commerce. Harrisburg: White Hat Communications.

Princeton Survey Research Associates (2001). Wired, willing and ready: nonprofit human services organizations' adoption of information technology. Washington DC: Independent Sector & Cisco Systems. Available at [www.independentsector.org](http://www.independentsector.org)

**Paper Number:** PN042051.2

**Paper Title:** Impacts of Technology on an International Nonprofit, Project Mercy: A Case Study

**Author(s):**

Trisha Litz, Regis University, Nonprofit Management, Denver, CO, USA

**Summary of Research**

Impacts of Technology on an International Nonprofit, Project Mercy: A Case Study examines the role of technology in a university-nonprofit partnership or collaboration. The paper will explore some of the ways that technology can engender communication and cooperation.

**Description**

Impacts of Technology on an International Nonprofit, Project Mercy: A Case Study

Technology is usually an under utilized tool in many nonprofits, yet can be a tool that can greatly leverage the benefits of the nonprofit to service more clients, better utilize resources, solicit donations, etc. There are many academic institutions who have faculty and students who are required to do work in areas such as service learning or are interested in doing applied projects. Matching academic institutions with nonprofits in support of technology projects can be a tremendous sharing of resources between the two organizations. The nonprofit receives free or low cost technology services and products and the academic institutions gain hands on experiences for their students and faculty.

Providing a more structured and long term model to this relationship between a nonprofit and an academic institution can create a synergistic relationship between the entities that allows for faculty and students to do critical projects within the nonprofit as the trust and rapport between the nonprofit and school deepens. Schools are able to setup programs that allow students to have a structured project led by one or more faculty that provides the student with a "real world" experience that can give the student confidence and knowledge that they can take with them to their jobs. The nonprofit may start to see the institution as an extension of the nonprofit, providing a critical service in support of the nonprofit's mission and goals.

The goal of the entire project is to document and analyze what technologies are chosen and implemented and how the technologies impact Project Mercy. Tracking the impacts of the technology implemented will be based on defined metrics that will be tracked before, during and after a given technology has been implemented. The overall project will follow a case study research approach. Below is a list of the areas where technology will be implemented within the next 6-12 months in Ethiopia and in the United States to support the endeavors of Project Mercy in Yetebon, Ethiopia.

This presentation will be the summary of the preliminary phases of the two technology projects below. A key focus within each of these projects will be the issues of ongoing maintenance, support and revisions of the technologies chosen.

- Major Rewrite of the Project Mercy Web site including shopping cart technologies with the utilization of open source software. Research focus in this area will be on the issue of utilizing open source software to support the technological needs of a nonprofit.
- Implementing distance education for the teachers at the Project Mercy school currently serving K-10. Research topics will focus on how does the technology of distance education impact a teacher's perspective on learning and teaching. Bloom and Piaget's learning theories will be researched and applied in this area as well.

The presentation will provide a perspective on university-nonprofit interaction within a technology

adoption and development framework. It will assist nonprofit scholars in understanding these processes and add to our knowledge about community partnerships around technology issues.

**Paper Number:** PN042051.3

**Paper Title:** Technology and the Transformation of a United Way Funding Process: A Case Study

**Author(s):**

Jennifer Gifford, United Way of the Capital Area, Community service, Hartford, CT, USA

**Summary of Research**

Technology and the Transformation of a United Way Funding Process: A Case Study evaluates the role of technology in transforming the fund allocation process in a large united way. Technology is seen as an enabler of organizational change as well as a way to automate traditional processes.

**Description**

Technology and the Transformation of a United Way Funding Process: A Case Study

Technology has the potential to change in very profound ways the conduct of social practice and organizations. New technology tools can not only automate existing tasks but also allow the creation of new relationships and new capabilities. Nonprofit organizations may lag behind their counterparts in the commercial and public sector in terms of technology adoption, but they can use tools to make their organizations more effective and ultimately to transform nonprofit organizations. While some might argue that nonprofit technology adoption will benefit only by making existing processes more efficient, the true benefit is in organizational transformation.

This paper reports the experience of a large northeastern united way to apply technology toward the automation and eventual transformation of their fund allocation process. Technology was used to streamline existing processes and to create new relationships and communications networks.

The paper uses Roger's (1995) diffusion of innovation theory and the concept of web-enabled organizations as theoretical touchstones in examine this process. The paper will focus on choices than were made, results of those choices and the eventual impact on the funding process.

This paper will add to the scholarly debate on nonprofit technology use by examining the transformative process within a traditional nonprofit organization. It will also add to our understanding of the diffusion process in nonprofit organizations.

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Rogers, E.M. (1995). The Diffusion of innovation. [Fourth Edition]. New York: Free Press.

**Paper Number:** PA041078

**Paper Title:** Are Donors Sensitive to the Structure of Charities' Costs?

**Author(s):**

H. Woods Bowman, De Paul University, Chicago, IL, USA

**Summary of Research**

This research examines charitable giving through payroll deductions over a three-year period by 26,000 individual federal employees, all of whom were given information on the administrative and fundraising (overhead) costs of participating charities, correlating changes in giving activity with changes in these costs. A preliminary review of charities with the largest number of contributors suggests that neither the number of donors nor amounts donated change in response to changes in overhead ratios. Other tests, now being run on the full sample and on a subset of large donors, may yield different findings.

**Description**

Keating, Roberts and Parsons (2003: Cost-effectiveness of Nonprofit Telemarketing Campaigns) find that telemarketers kept 73 percent of funds collected for charity in the median campaign conducted in N.Y. between 1994 and 2001. But, did donors know that most of their money was going to the telemarketers and would they care if they did? Berman and Davidson (2003: Do Donors Care?) find that generalized organizational accountability has little effect on donations. Frumpkin and Kim (2001: "Strategic Positioning and the Financing of Nonprofit Organizations: Is Efficiency Rewarded in the Contribution Marketplace?") detected insignificant correlations between fundraising costs and donations as reported on 990 forms. Professor Steinberg (1986: "Should Donors Care About Fundraising?") argues that, consistent with economic theory, rational donors should not care about the cost of fundraising.

Unfortunately, Frumpkin and Kim's work was cross-sectional, based on aggregate data reported on IRS 990 forms and there is no reason to believe that, in general, donors take the trouble to inform themselves about the cost of fundraising. This research overcomes these obvious methodological problems by using three-year longitudinal data on 26,000 individual donors consisting of federal employees in the Chicago region who made charitable donations at their workplace, most using payroll deduction. Thus, correlating changes in number of donors and average amount of donation with changes in overhead ratios is feasible.

Furthermore, there is reason to believe these donors were familiar with the overhead ratios of all charities in their choice set: when the Combined Federal Campaign (CFC) solicits employees, it gives them a "donor guide" of 1,500 participating charities with a 25-word description of each, together with the ratio of its administrative and fundraising expenses (overhead) to its revenue. (This metric is recommended by Rooney, Hager and Pollak in their 2003 paper: "Research About Fundraising and Administrative Costs.") Although the CFC does not vouch for the accuracy of the overhead ratio, which the charities themselves provide, inclusion of a charity in the donor guide gives it an obvious aura of federal imprimatur.

A preliminary review of the data focused on the 100 charities with the largest number of donations. The results merely hint at sensitivity – the number of designations decreases when the overhead ratio increases – but the overall pattern is not statistically significant. We also examined the mean change in number of donations for three groups of charities, namely those with (1) no change in the overhead ratio, (2) an increase in the ratio and (3) a decrease. The result of this analysis is counter to theory and intuition: charities with an increasing overhead ratio saw an increase in the number of designations, while those with decreasing overhead ratios saw a decrease in number of designations, but the in-group variance is much greater than the between group variance, so the pattern is not statistically significant.

Research now in progress makes use of the full data set on all 1,500 charities that received contributions through the CFC. We are exploring the possibility that donors might be sensitive to information about overhead ratios in the case of lesser-known charities (i.e., those with relatively few donations). We are also exploring whether donors who give the most money ( $> 20$  times the mean) are more sensitive to change in the overhead ratio.

The Combined Federal Campaign imposes an upper limit of 25% on administrative and fundraising costs for participating charities. Higher ratios are tolerated for a limited period of time before the offending charity is dropped from the campaign. This gives us an additional way of classifying the data: those on probation versus those that are not. Perhaps donors do not make fine distinctions, but they may recoil from organizations with the stigma of being on probationary status.

**Paper Number:** PA041171

**Paper Title:** The Effects of Population Size On Donor Trust

**Author(s):**

Paul Govekar, Ohio Northern University, Ada, OH, USA

Michele Govekar, Ohio Northern University, Ada, OH, USA

**Summary of Research**

The purpose of this paper is to examine the role of population size in the contributions to local United Ways before and after the Aramony scandal to see if United Way size had an effect. We statistically compare the change in contributions before and after the Aramony scandal to determine if this violation of donor trust had a differential effect on contributions according to the size of the United Way involved. We then draw inferences for both researchers and practitioners, both in local United Ways, and in local agencies dependent on United Way funding.

**Description**

Ever since the publication of Alexis de Tocqueville's *Democracy in America* social scientists have linked democracy and civil society. In fact, social scientists have "unearthed a wide range of empirical evidence that the quality of public life and the performance of social institutions (and not only in America) are indeed powerfully influenced by norms and networks of civic engagement" (Putnam, 1995, p. 66). As we enter the 21st century, there is mixed evidence about the quality of public life and the state of the nonprofit sector. While the third sector experienced rapid growth during the latter half of the Twentieth Century (O'Neill, 2002) and the sector is facing major challenges (Salamon, 2001), it has shown extraordinary resilience and adaptability in meeting these challenges (Salamon, 2002).

This growth in the nonprofit sector has occurred during an extended period of increasing political and social conservatism in the United States (Adams, 1987). This conservatism leads some to advocate transfer of more organizational and financial responsibility for human services from government to voluntary organizations (Lipman & Schwinn, 2003), including "faith-based" organizations. Some experts raise significant questions about this transfer (O'Connell, 1996), and the capacity of the third sector to fund and staff these new responsibilities. Particularly with regard to fund raising, the sector is receiving mixed information. An Independent Sector report states their data indicate that private giving more than doubled from 1988 to 1998 (Weitzman & Jalandoni, 2002). At the same time however, a Center on Philanthropy at Indiana University report states its philanthropic giving index fell in December 2002, to the lowest level in the survey's five-year history (Herman & Bank, 2002). As further evidence of a downturn in support for nonprofit organizations, Board & Administrator, a third sector newsletter, reports that significant numbers of administrators responding to their survey declare that annual giving dollars, the number of donors, and donors' average gifts were all down in 2002 (Economy & Terror, 2003). Board and Administrator authors assert that the soft economy and the terrorist attacks of September 11, 2001, had "a decided negative effect on fund raising at nonprofit organizations" (Economy & Terror, 2003, B8). The authors of this paper, however, wonder if there may not be a deeper reason for this reduction in support to nonprofit organizations. The soft economy and the uncertainty resulting from the terrorist attacks have had an effect, but we see evidence of a deeper problem exacerbated by economic and political events.

Robert Putnam says that social capital includes "features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit" (Putnam, 1995, p. 67). Both he and Fukuyama emphasized the role of trust in a civil society. In fact, Trust is the name of Fukuyama's (1995) book, where "Social capital is a capability that arises from the prevalence of trust in a society or in certain parts of it" (Fukuyama, 1995, p. 26). Without trust, there is no reason to develop social capital and civil society is harmed. Is there evidence that trust is declining in American society? Certainly, there is anecdotal evidence of declining trust relative to nonprofits. "NBC Nightly News" (February 19, 2003), in "The Fleecing of America," told of Jill and Marc Rodstein, a couple who can afford to be generous. The couple, it was reported, heard stories of theft and mismanagement and now, when they receive a fund-raising letter, they respond with a letter of their own, asking pointed

questions about the charity's activities. The tag line of the story was "Givers turn charity watchdogs – a new defense against the fleecing of America" (Duffy, 2003). In another instance, Stephanie Blank, wife of Home Depot co-founder and Atlanta Falcons owner Arthur M. Blank, says, "I only say yes to things I really believe in" (Hill, 2003). She must be personally convinced of a cause before she will lend her support.

More formally, the Atlantic Monthly (January/February, 2003) reported what they call the 'Real State of the Union.' One article, titled "Suspicious Minds", assessed the level of trust in America. They report "...Americans have expressed declining confidence in government, business, civic institutions, religious establishments, and one another" (Purdy, 2003, p. 82). Toppe and Kirsch (2002) report that an upswing in confidence in charitable organizations after September 11, 2001 did not occur they conclude that "without being viewed as honest and ethical, charities inspire little confidence" (p. 4). In addition, they report that those with confidence in charities and belief in charities' honesty and ethics give an average of \$1800, more than 50% higher than those with neither opinion. And Business Week reports that new philanthropy is different from the days when rich benefactors wrote checks to established foundations and charities. New philanthropists "...attach a lot of strings. Recipients are often required to meet milestone goals, to invite foundation members onto their boards, and to produce measurable results – or risk losing their funding" (Byrne, 2002, pp. 83-84).

□ In a paper concerning trust and giving to the United Way of America presented at the 2003 ARNOVA conference, Govekar and Govekar argued that what appears on its face to be reasonable recovery from the Aramony scandal in fact may mask a sustained and continuing loss of ground in contributions for the United Way's member's boards and recipient agency charities. They recommended further research to unpack the source of United Way contributions.

In early 2004, the news is again focused on the United Way, linked to a financial scandal. Mr. Oral Sue, CEO of United Way of the National Capitol Area, pleaded guilty on March 4, 2004 to defrauding the United Way of almost \$500,000 (Salmon, 2004). And this local United Way has had its contributions plummet from \$90 million in 2001 to \$19 million in 2002.

The purpose of this paper is to examine the role of population size in the contributions to local United Ways before and after the Aramony scandal to see if United Ways with smaller populations to draw from were more greatly affected by the violation of trust than were United Ways in large, urban areas. The United Way of America records the "Metro Size" of each United Way organization (United Way Online, 2004). Using this Metro Size data, we divide contributions reported by local United Ways into three categories: Large United Ways, Medium United Ways and Small United Ways. We then statistically compare the change in contributions before and after the Aramony scandal to determine if this violation of donor trust had a differential effect on contributions according to the size of the United Way involved. We then draw inferences from the results of our analysis both for both researchers and practitioners, both in local United Ways, and in local agencies dependent on United Way funding.

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Weitzman, M. S., & Jalandoni, N. T. 2002. *The new nonprofit almanac and desk reference*. San Francisco: Jossey-Bass.

**Paper Number:** PA041288

**Paper Title:** Defining Commitment in the Context of the Donor-Charity Relationship

**Author(s):**

Lucy Woodliffe, University of the West of England, UK, Bristol, United Kingdom

Adrian Sargeant, University of the West of England, Bristol, United Kingdom

**Summary of Research**

The marketing concept of commitment has recently been adopted by UK charities in the form of committed giving programmes. However, little is known about the nature of commitment in this context, and there is no evidence to suggest that a donor who gives in this way is any more committed than other types of donor. A series of focus groups were conducted with current donors, to address this issue. The research findings present a useful redefinition of commitment in this context, and provide guidelines for charities to ensure they are investing appropriately in their various donor categories.

**Description**

Commitment is a central concept in recent marketing theory which has received much attention, particularly since the paradigm shift from transactional marketing to relationship marketing. Commitment is considered to be an important element in the establishment and maintenance of long term relationships and has recently been adopted by UK charities, in the form of 'committed giving'. Committed giving is "getting the donor to support your cause financially on a regular basis, where possible through direct debit" (Elischer 1998). Recruitment of committed givers takes place using direct marketing techniques, such as direct mail and face-to-face (street intercept). In the UK, committed giving now accounts for 17 per cent of charities' voluntary income (CIFC 2003). The approach is particularly attractive to charities as the return on fundraising costs through committed giving is higher than other non-legacy fundraising.

However, recent research amongst face-to-face recruits (Sargeant and Jay 2004) revealed that over 30 percent only expected to give for a year or less when they signed up to a committed giving scheme. This finding prompts some interesting questions. Firstly, should these donors be called committed at all, and are they any more committed than those who donate on an irregular basis? Secondly, is it possible to assume commitment to a cause or organization through a type of giving? Little is known about the nature of commitment in this context, or the ways in which it can be measured and predicted. Other issues which merit investigation are the relationship between commitment and giving behaviour and whether it is important to distinguish between commitment to a specific charity and commitment to the cause which it represents.

In summary, the research questions to be addressed by the full paper are summarised as follows:

- a) What is the nature of commitment in the context of giving?
- b) What are the antecedents of commitment in this context?
- c) To what extent does the impact of commitment on giving behaviour vary depending on whether a donor is committed to a cause, or committed to an organisation?
- d) Does commitment develop or change throughout the duration of the donor-charity relationship?

The existing literature is well developed and extensive, much of it dedicated to defining commitment and differentiating it from other related or overlapping notions, such as loyalty and habit. More recently, authors have provided evidence to support treating commitment as a multidimensional concept (Gruen et al. 2000; Kim and Frazier 1997). It is useful here to present the three key components of commitment to demonstrate the concept's diverse nature. These are affective commitment, continuance commitment and calculative commitment. Affective commitment describes the emotional attachment between exchange partners (Allen and Meyer 1990) and is rooted in a congruence of values, belongingness, dedication and similarity (Achrol 1997; Bendapudi and Berry 1997; Prichard et al. 1999). Continuance commitment (Fullerton 2003) applies to relationships where the customer is

aware of high switching costs, where the benefits received from the partner are not easily obtained from other potential partners, or where one party perceives dependence on the other. Calculative commitment (Anderson and Weitz 1992; Kumar et al. 1994) emerges from the presence of self-interest in business relationships, concerned with the explicit evaluation of the costs and benefits involved in developing and maintaining a relationship, and the trade-off between them. It is also important to consider the notion of time, as it is inherently connected to commitment. Moorman et al. (1992) consider commitment to be meaningful only when it develops consistently over time. Commitment may also form one of the stages in the life cycle of a relationship between a customer and a supplier. Dwyer et al. (1987) suggest that commitment occurs at a relatively late stage, implying a state of maturity in the relationship.

Various antecedents to commitment have been identified by the literature, ranging from shared ethical values and norms in business relationships (Morgan and Hunt 1994) to trust between exchange partners (Gaborino and Johnson 1999; Moorman et al. 1992; Morgan and Hunt 1994). Other antecedents include the degree of investment in the relationship (Gronroos 1982) and consistency of interaction over time in terms of the inputs and attitudes brought to the relationship (Gundlach et al. 1995).

The research questions required an exploratory approach in the form of qualitative research. Focus groups with current donors were conducted in a central London venue. The research was developed in partnership with six large national UK charities with an interest in commitment-related issues (RSPB, RNLI, National Deaf Children Society, NSPCC, Sightsavers, Cancer Research UK). These charities shared a sample of their supporter base, and supplied a list of donors, stratified to reflect individuals recruited directly into committed giving and those who switched from cash gifts to committed giving. Twelve focus groups were conducted in total, comprising two groups for each organization. The focus groups were then transcribed and subjected to content analysis employing the software package QSR NUD\*IST.

This research contributes to the field in several ways. Firstly, it provides insight into a familiar marketing concept - commitment between an individual and an organization - but in an important new context. Secondly, the research identifies the dimensions of commitment between a donor and charity and provides a bedrock on which future research concerned with measuring and predicting commitment can be based. Finally, the research findings can help charities to ensure that they are investing in the various categories of donor appropriately.

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**Paper Number:** PA041354

**Paper Title:** Cultural Preconditions of Giving: Family Values and Disposable Income

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**Summary of Research**

The mission of the National Center for Family Philanthropy “is to promote philanthropic values, vision, and excellence across generations of donors and donor families.” Given the nuclear family as locus of culture/religion/value creation we might expect similar patterns of philanthropic behavior of family members, perhaps over and above the income (and inverse wealth) effects noted by extant research. Using the Panel Study of Income Dynamics/ COPPS data, we attempt to model the preconditions of giving (and volunteering), affording particular focus to income, wealth, educational attainment and industry norms and expectations, on the one hand, and familial ties on the other.

**Description**

Schervish and Havens (see for example: 2001, 2003) have argued that the percentage of income contributed to charity increases as income increases suggesting that income may represent an important precondition to individual giving. However, given the myriad institutional environments in which individuals are embedded, it is also possible to suggest that other societal structures impact giving rates as well. In particular, we note the mission of the National Center for Family Philanthropy which “is to promote philanthropic values, vision, and excellence across generations of donors and donor families.” Indeed, given the nuclear family as locus of culture/religion/value creation (all conceivably part of the mix of preconditions to philanthropic behavior) we might expect similar patterns of philanthropic behavior of family members (see for example, Rodriguez, 1999; Collier, 2001; Hamilton, 2001; Esposito and Foote, 2002; Gersick, 2003), perhaps over and above the income (and inverse wealth) effects noted by Schervish and Havens. Using the PSID (Panel Study of Income Dynamics)/ COPPS (The Indiana University Center on Philanthropy Panel Study of Giving and Volunteering) data, this paper attempts to model the preconditions of giving (and volunteering), affording particular focus to income, wealth, educational attainment and industry norms and expectations, on the one hand, and familial ties on the other. The former variables have been identified as likely correlates in previous literature and we add variables that capture normative pressures for giving, including industry identification and family values.

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**Paper Number:** PA041084

**Paper Title:** Getting to the Grant: Decision-making in Foundations

**Author(s):**

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**Summary of Research**

Both policy interest in and criticisms of foundations have markedly grown in the past years, as have attempts at measuring the performance of these institutions. Nevertheless, as Bill Diaz reminded us a few years ago, foundations essentially remain “black boxes.” Background

Based on interviews with program officers, foundation executives and grantees, this paper explores decision-making procedures in foundations in an effort to begin to shed some light into the black box.

**Description**

Although historians have pointed to the key roles that advisors played in guiding the work of early philanthropists, there has been remarkably little research in the past on the role of staff, particularly program officers, in foundations. What has particularly been missing is an elaboration of the influence of staff on the making of grant decisions. In terms of decision-making, the literature has, for the most part, been concerned with the intentions and motivations of donors or boards of trustees. There are however some notable exceptions. The first group of writings that aim at shedding more light on the inner workings of foundations comprises the insights of experienced foundation leaders (e.g., Keppel, 1989[1930]; Kiger, 1954; Zurcher, 1972; Freund, 1996; Orosz, 2000).

The second group comprises broader studies of foundation staff. Nagai, Lerner, and Rothman (1994) were less concerned with organizational decision-making than the political-ideological orientation of foundation executives. Odendahl, Boris and Daniels (1985) focused on career patterns in foundations. Although this study did not fully explore the involvement of staff in decision-making, it briefly suggested a number of different foundation governance models that provide a useful starting point for further investigation. In her work on grantmaking foundations in Britain, Leat (1999) observed a number of critical issues relating to the staffing needs of foundations, including the need to develop in-house expertise. In addition, Leat linked staffing and structural-organizational issues back to the strategic orientation of foundations (re-active vs. pro-active) and ultimately the pursuit of broader societal roles or functions (such as innovation).

Overall though, there is still little systematic baseline information on foundation behavior and our understanding of foundation decision-making remains highly limited. As Bill Diaz (1999) suggested, foundations essentially remain black boxes—for researchers, the media and wider public, and particularly practitioners in the nonprofit field.

**Research Question**

The key purpose of this paper is to shed more light on the organizational behavior of foundations with particular attention to the role of staff (or non-board volunteers performing similar functions) in decision-making. Organizational theory suggests generally that age and size are key factors in explaining the level of staffing as well as the level of responsibility of staff in decision-making. Odendahl, Boris and Daniels' (1985, p.13) accordingly suggest three foundation models: (1) foundations in the Administrator Model are characterized by small assets, decision-making by trustees, little administrative staff, and strong donor influence; (2) foundations in the Director Model are characterized by medium to large asset size, increased influence of the executive director on grants decision and diminishing donor and donor family influence; (3) foundations in the Presidential Model are characterized by large assets, faded donor influence, and delegation of the decision-making processes to the chief executive and subordinate staff.

This paper utilizes these models as a starting point, but generates a more differentiated picture by

investigating whether other factors also contribute to increased staff responsibilities in the decision-making process. Drawing on Leat's (1999) suggestion that a foundation's perception of its societal role (e.g., fostering innovation or social change vs. directly serving needs) may affect staffing needs, the central hypothesis is that the role and responsibilities of staff are primarily driven by the organizational role orientation rather than age or size alone.

The project therefore explores how various foundations conceptualize their societal function and how differences in these conceptualizations affect the division of labor between trustees and staff as well as structure of the task environments and the job responsibilities of, and demands on, program staff. Of particular interest in this context are foundations that pursue the innovation role. Although the innovation role has historically served as the primary *raison d'être* for foundations, there has been surprisingly little research on the actual role performance (exceptions include Mahoney and Estes, 1987; Knott and Weissert, 1995; Weissert and Knott, 1995) and virtually no research on the internal organizational processes and dynamics that help foundations to pursue this role on a sustained basis.

#### Methodology

As a largely exploratory study, the paper is based on interviews with program officers, foundation executives, trustees, and other stakeholders, including grantees. The study focuses on independent foundations, since corporate, community and operating foundations are subject to different constraints as far as their decision-making is concerned. The study sample includes large, mid-sized and smaller foundations drawn from two metropolitan areas on the East Coast (Washington and Baltimore). The focus is on foundations that are regionally or locally rather than nationally active, as these are the foundations that the majority of grantseekers typically encounter.

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**Paper Number:** PA041138

**Paper Title:** The Meaning and Motives of Financial Security: A New Model of Philanthropic Decision Making by Wealth Holders

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### **Summary of Research**

In this paper we suggest two new directions for understanding transfers to family and charity. The first explains such transfers as deriving from a common motivational matrix of identification, which incorporates economic theory and applies across the economic spectrum. The second direction explains how the decision-making dynamics of transfers differ when individuals reach a self-defined level of financial security. When wealth holders have a substantially large enough life-time resource stream to provide the standard of living they desire for themselves and their heirs, they follow a hierarchical rather than a tradeoff model of decision making in regard to philanthropy.

### **Description**

In this paper we bring to bear the fruit of our theoretical and empirical research on philanthropy to suggest two new directions for understanding transfers to family and charity. The first explains transfers to family and charity as deriving from a common motivational matrix, which incorporates aspects of current economic theories, and considers the underlying motivations for transfers to be similar across the economic spectrum. The second and newer direction is to argue that there is a distinctive change in the decision-making dynamics of transfers when individuals reach a self-defined level of financial security. When wealth holders have redundant resources, that is, a substantially large enough life-time resource stream to provide whatever they desire for themselves and their heirs, then the tradeoffs between self and family, on the one hand, and charity on the other, are obviated. If the first aspect of our argument is about continuity in underlying motivation, the second is about discontinuity in decision-making dynamics.

Our general theoretical framework is the identification theory of giving to and caring for others. There are two major components to the identification theory as we have developed it. First, giving to charities and giving to family and friends are both manifestations of the more general concept of care. Second, self-identification with the needs of others, seeing one's self reflected in other needy individuals, is the major, although not sole, motivation for giving both to charitable organizations and to friends, relatives, and others in need. We have found that identification motivates giving and caring behavior by families and individuals at all levels of income and wealth and across all demographic groups. We hypothesize that identification is thus a universal, but, again, not necessarily the single motivation for giving to others, either directly, via person-to-person transfers, or indirectly through charitable organizations. Incorporation of the identification theory into explanations of transfers to heirs and charity has the advantage initially of serving as a more general theory within which economic theories can be understood and, eventually (although we do not take this further step here) as a way to integrate aspects of the economic theories of motivation, namely, altruism, exchange, and warm glow (Andreoni 2001; Clotfelter 1997, Cox 1987).

The second argument is also derived from our research on charitable giving and its meanings and motives. Although the motivations of identification explain giving by individuals across the economic spectrum, the realms of identification and hence the allocation of gifts is different for individuals who have solved what Keynes calls "the economic problem [of scarcity]" (1933/1930 p. 366) and those who have not. According to the Survey of Consumer Finances for 2001, a large and disproportionate share of charitable giving (more than 50%) and a large and disproportionate share of transfers to friends and relatives (more than 35%) is contributed by less than 7% of the families with net worth of \$1 million or more. Since this relatively small fraction of wealth holders makes such a large fraction of charitable contributions and interpersonal transfers, they deserve special attention.

In this paper we identify several attributes that differentiate this group from the remainder of the population and also distinguish their giving and caring behavior. One important economic factor is that this group tends to have redundant financial resources (income and net worth) in the sense that they can meet their material needs, fully furnish themselves with their desired standard of living, and still have financial resources remaining. Hence, they have the ability to make inter-vivos charitable contributions and inter-personal transfers without reducing other consumption expenditures or precautionary savings. Because of their financial resources, the financially secure, are able to allocate their assets to an elongated hierarchy of preferences. This ability is different from the majority of families whose contributions involve trade-offs with other expenses such as foregone consumption or foregone precautionary savings.

If in fact the dynamics of wealth-transfer decisions are different for the very wealthy, then excluding the very wealthy from current models and devising models that better fit their actual decision-making processes may contribute to better interpreting, if not clearing up, the contradictory or ambiguous findings about the determinants of transfer decisions, such as the estate tax (Tempel and Rooney 2000).

□

Related to the foregoing two arguments is the corollary that new financial planning approaches actively encourage the positive consequences of identification and financial security. Relatively new approaches to financial planning seek to help wealth holders identify financial security at a more realistic (and lower) economic level, inquire about charitable aspirations, and highlight the opportunities and advantages of inter-vivos charitable giving as contrasted with charitable bequests (Fithian, 2000). In this paper we present some aspects of these new approaches and conclude that we may be on the cusp of a major shift, especially by the ultra wealthy, from trying to maximize gifts to heirs and from focusing on charitable bequests to a growth instead in inter-vivos charitable giving.

The paper consists of four sections and a conclusion. The first section focuses primarily on the identification theory and supporting evidence for it, especially from the year long Boston Area Diary Study which documents the common motivation of care in regard to self, family, and others. The second section presents some empirical evidence concerning the relationship of income and wealth to charitable contributions and to inter-personal transfers. This information suggests why the charitable giving of financially secure individuals might be better modeled as a hierarchical rather than as trade-off decision-making process. The third section presents selected characteristics of wealth holders that shape their approach to charitable and inter-personal transfers, in particular various interview findings that indicate the inclination of those with redundant resources to disproportionately allocate their wealth to charity. The fourth section outlines major components of some current financial planning procedures employed by wealth holders that reflect and advance the trends we note in the previous sections. The paper concludes that as a result of both personal inclination and new methods of financial advisement, wealth holders may be shifting their allocations more toward philanthropy and away from heirs, and toward making life-time gifts a greater proportion of gifts both to philanthropy and to heirs.

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**Paper Number:** PA041372

**Paper Title:** Attitudes and Practices Concerning Effective Philanthropy Among Foundations Today

**Author(s):**

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**Summary of Research**

This paper draws on findings from a survey of 1,192 staffed grantmaking foundations to present a wide-ranging portrait of how contemporary foundations define effectiveness and the practices they use to try and achieve it. The paper offers a typology of effectiveness frameworks in the field and demonstrates the heterogeneity of approaches being used. Survey findings reveal a great deal about how foundations today see themselves, how they function, and whether they are fully functioning in the ways that they feel they should be.

**Description**

□ This paper draws on findings from a survey of 1,192 staffed grantmaking foundations to present a wide-ranging portrait of attitudes and practices concerning effectiveness among foundations today. The paper:

- □ Demonstrates the importance of avoiding broad brush characterizations of, or “one size fits all” prescriptions for, the foundation field;
- □ Offers a typology of effectiveness frameworks and analyzes the heterogeneity of attitudes and practices among different categories of foundations;
- □ Examines whether foundations are actually engaging in practices that according to their own standards, are important to effectiveness; and
- □ Analyzes current foundation levels of awareness and responsiveness to external parties (e.g., media, grantees, the general public).

Coming at a time of growing attention to foundation performance and accountability by government, media, the public, researchers, and funders themselves, the information from the study could not be timelier. If efforts to strengthen philanthropy are to be effective, then they must be informed by reliable data on the current state of the field. The survey results tell us a great deal about how foundations today see themselves, how they function, and whether they are fully functioning in the ways that they feel they should be. Certain patterns uncovered warrant very careful thought by those seeking to enhance foundation performance, and should assist funders to better appreciate and respond to public demands for greater accountability.

Many and varied practices are currently being proposed as important to achieving foundation effectiveness -- focused grantmaking, identifying a distinctive niche, support for social advocacy, use of formal evaluation, support for organizational capacity-building, board diversity, collaboration, and greater public disclosure (see, for instance, Bothwell 2001; Center for Effective Philanthropy 2003; Covington 1997; Furnari et. al. 2000; Nason 1989; Nielsen 1989; Orosz et al 2003; Ostrander 2001; Patrizi and McMullan 1999; Prager 1999; Semel 2000; Sharp 2002). Yet we know little about how foundations themselves regard the proposed practices and how extensively they use them, although such information is vital for those who seek to enhance effectiveness and to track changes in foundation practices over time. This paper helps fill this gap in available knowledge.

The paper is relevant for those with scholarly and/or practical interests in the meaning and pursuit of effectiveness among foundations. Foundation effectiveness is currently a topic of widespread interest and discussion (Orosz et. al 2003). However, from the perspective of the proposed study, if the current attention to effectiveness is to truly advance practice and understanding in the field, it must incorporate a greater recognition of the relativity and context-dependency of concepts of organizational effectiveness. For instance, one idea strongly advocated in the current discussion of funder effectiveness is that foundations in general should focus their grantmaking on a few areas (Center for Effective Philanthropy 2003; Porter and Kramer 1999), but as the paper shows that is not an idea appropriate to all foundations. The research contributes to the literature by identifying the differences as well as commonalities in models of organizational effectiveness among foundations. In doing so it will help to advance our appreciation of the context-dependent nature of such models. In taking this approach, the research complements historians' findings about how conceptions of foundation effectiveness change over time with shifting social, economic, and cultural circumstances (Katz 1999; Smith 1999) by examining how approaches also vary at one point in time in different contexts.

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**Paper Number:** PA041380

**Paper Title:** A test of Crowding-In and Crowding-Out of Contributions to Nonprofit Organizations

**Author(s):**

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### Summary of Research

This paper uses the 2001 Center on Philanthropy Panel Study (COPPS) data set to examine the relationship between sources of funding to nonprofit organizations. In the contribution choice model, individuals will engage in philanthropy in order to maximize their own utility. It is unclear, however, how this choice is impacted when the model includes a) government funding to these organizations and b) private funding to these organization from other sources (industry, other sources). A preliminary analysis of the 2001 COPPS data indicates that there is some crowding-out between government and private funding to nonprofit organizations.

### Description

The model used in this research is derived from Freeman (1997) and Duncan (1999). Both of these authors identify household utility as a function of the consumption of goods,  $Z$ , leisure activity,  $L$ , and charity activity where  $C$  is charity (measured in  $V$ , volunteer time, and  $D$ , donation of money or gifts<sup>1</sup>)

$$\text{MAX } U = U[Z, L, C]$$

{  $Z, L, C$  }

$$\begin{aligned} \text{s.t. } & C = C(V, D) \\ & Z + D = W Tw + Y \\ & Tw + V + L = 1 \\ & \end{aligned}$$

where  $W$  is the wage rate,  $Tw$  is time spend in labor activity, and  $Y$  is non-wage activity. The estimating equation used to examine the philanthropy decision can be written as:

$$4) \text{Dij} = a + b_1 \text{Price} + b_l \text{Income} + b_L \text{Labor} + b_E \text{Education} + b_A \text{Age} + b_D \text{Demographic} + b_G \text{Government} + b_{PS} \text{Other Funding} + e$$

The variables in the estimating equations are as follows:  $D_{ij}$  is the amount of donations by individual  $i$  to organization type  $j$ ; Price is a price variable based on marginal state and federal income tax rates; Education is own education; Income include  $\log(\text{wage})$  and  $\log(\text{family income})$ ; the Labor variables are number of hours worked last year; the Age variables are own age and age squared; the Demographic variables are marital status, race, sex, and number of children; the Government variables is a continuous variable measured by the per capita state funding of various types of nonprofit programs; and Other Funding includes corporate and other private donations to various organizations.

The results indicate that there is some crowding-out between government funding and private funding in several areas (education and health), while there is some crowding-in between other funding and private funding. This research fills in several gaps in the research regarding the decision to donate money to organizations.

**Paper Number:** PA041250

**Paper Title:** Resonant Philanthropy: The Holocaust & Humanity Project

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**Summary of Research**

What happens when a university collaborates with a family foundation, a metropolitan ballet company, and a Holocaust museum to develop a model for artistic, educational, and community involvement to support Holocaust education? We discuss philanthropic resonance through a study of the ways in which a small family foundation influences the networks in this synergistic project. Our preliminary research findings to date will be discussed.

**Description**

This paper elucidates the gift of a small family foundation that supports Holocaust education. Using the case of the Warren Family Foundation of Houston, TX, we examine the effectiveness of a philanthropic gift on Holocaust education, and explicate the impacts of the gift within and beyond the communities in which the funding originates. We propose that the gift given by the Warren Family creates, in a sense, a conceptual “third space” in civil society (Havel, 1990; Van Til, 2000).

We study the ways in which the gift of the Warren Family Foundation catalyzes the creation of a third space by studying the Holocaust and Humanity Project (HHP), a project through which faculty from The University of Texas at Austin collaborate with the Warren Family Foundation, Ballet Austin, and the Holocaust Museum Houston to develop a model for artistic, educational, and community involvement. The overarching goal of the project is to support Holocaust education and develop civically and humanly sound responses to contemporary events.

Our work draws on the concepts of transdisciplinarity, a way of knowing that, “illustrates a pivotal move away from the individual parts toward a multifaceted whole” (Moss, Osborn, & Kaufman, 2003, p. 7) and complexity science as a way of studying complex adaptive systems (Kauffman, 1993; Senge, 1990; Stacey, 1996). Drawing upon these conceptual frames helps us to explore the ways in which the social networks of the project’s collaborators influence each other within the system. Transdisciplinary work requires that a “significant effort be placed in understanding the nature of each discipline individually, as well as in terms of the whole” (Kaufman, Moss & Osborn, 2003, p. 7).

Using a transdisciplinary lens we carefully explicate the ways in which each collaborative agent responds to the project as the partnership moves from a philanthropic relationship towards more integrative relationships (Austin, 1999). Our long-term study looks specifically at three interwoven themes to understand the power of a philanthropic initiative: 1) teacher development and how pre-service and in-service teachers are affected by the Holocaust & Humanity Project; 2) networks of influence within and beyond the university, museum, and arts communities directly affected by the Holocaust & Humanity Project; and 3) the creation of a “third space” in civil society.

**Philanthropy & Family Foundations**

In 2002 U.S. foundations contributed an estimated \$26,900,000,000, representing 11.2% of the philanthropic giving in the United States (AAFRC, 2003). Family foundations, as a subgroup, contribute approximately 40% of that total. The Council of Foundations estimates approximately two-fifths of the estimated 56,600 private and community foundations are family managed (Gast & White, 2001). While individually, these philanthropic efforts are typically small, in aggregate they represent tremendous outlays of capital with the potential for tremendous effect. According to recent studies, most family foundations concentrate their giving within their local communities, contributing 25% of overall funding to educational efforts, almost twice the average for foundations generally (AAFRC, 2003, Gast & White,

2001). Jenkins and Halchli suggest family foundations “constitute between forty and sixty percent of social movement funders” (Jenkins & Halchi, 1999, p. 236). The HHP represents a rich intersection of these philanthropic aims. Assessing the magnitude of impact of these efforts remains a tremendous challenge (Paton, 2003). Although admittedly problematic, a rich research database exists to examine the impacts of larger, more systematic giving, attributed to those foundations with professional staff (McKersie, 1999). This study compliments the current literature by examining the network of impacts resulting from the direction of social attention and funding to a specific cause supported by one small family managed foundation.

How does philanthropy affect change? Our research explicates the impact of the Warren Family Foundation’s focus on Holocaust education through the study of networks of influence in a community system (i.e., the individuals, institutions, and organizations involved in the Holocaust and Humanity project). Specific questions that will inform our inquiry include:

\*In what ways has a multiyear holocaust education grant manifested itself?

\*What is the system impacted by the flow of money, ideas, and energy?

\*What social networks are activated as a result of the gift?

\*In what ways have the social networks influenced the individuals, institutions, and organizations involved in the Holocaust and Humanity project and as a result, what has happened within the collaborating organizations (family foundation, university, ballet, museum)?

\* What types of communications occur during this collaboration?

\* In what ways have the important ideas of Holocaust education circulated through the system?

\*In what ways does the Warren gift and the Holocaust and Humanity project create a third space?

Our research design is integrated, informed by several methodological traditions to emphasize the “nodes of tension that exist between methodologies because the tension is seen as the creative, dialectic source of synthesis” (Greene, 2001, p. 256). To study the “case” of the Holocaust and Humanity Project we employ mixed-methods techniques from case study methodology (Scholz & Tien, 2001; Stake, 1994; Yin, 1993, 1994, 2004) social network analysis (Valente, 1995; Wasserman & Faust, 1994), and content analysis (Krippendorff, 2004; Neuendorf, 2002; Wright, 1986). Such diversity of input to the case and the subsequent analyses of the measures employed in the case promote insight into differing aspects of this project.

#### Data Being Analyzed

Quantitative and qualitative data will be collected and analyzed.

\*Surveys- pre and post Warren Fellowship; comparison surveys with pre-service teachers who do not have the Fellowship experience; surveys with ballet audiences and focus groups

\*Artistic and educational materials produced as a part of the project

\* Written and creative products crafted by Warren Fellows

\* Structured classroom observations of Warren Fellows and follow-up debriefing through structured interview (3 observations and interviews)

\*Structured interviews with stakeholders of the various organizations

\*Research journals kept by the primary investigators

\*Documentation of all project communication (correspondence [phone conversations, emails, videotaped meetings] program developments, grant applications etc.)

Consequently, this study explores the networks of influence that we imagine can be nurtured to grow synergistically, seeded by a philanthropic gift. We are interested in the ways the collaboration might move toward effective integrative collaboration. We ask how philanthropic support of public education systems, or of individuals working within such systems, may act as a catalyst for synergy and interaction between existing organizations and systems.

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**Paper Number:** PA041318

**Paper Title:** A Portrait of Online Giving: An Analysis of Donations and the Charities that Received Them

**Author(s):**

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Justin Weinstein-Tull, The Urban Institute - Center on Nonprofits and Philanthropy, Washington, DC, USA

**Summary of Research**

This paper uses data provided by Network For Good (NFG) – a nonprofit organization that facilitates online donations to other nonprofit organizations – to provide a detailed analysis of online donations made through NFG from 2002 to 2003. Using organization tax information from the Urban Institute’s National Center for Charitable Statistics (NCCS), we present a detailed portrait of the organizations that received contributions through NFG, the “early adapters” of this new method of fundraising.

**Description**

A Portrait of Online Giving:  
An Analysis of Donations and the Charities that Received Them

Linda M. Lampkin and Justin Weinstein-Tull  
National Center for Charitable Statistics  
Center on Nonprofits and Philanthropy  
The Urban Institute

Who makes online donations? What is the average amount given? Does the money go to local or national organizations? What kinds and sizes of organizations receive the most money through online donations? Online giving is a rapidly growing method for fundraising: it allows people to easily find and send contributions to charities of interest to them, and provides organizations with a low-cost fundraising technique.

In February 2004, the NonProfit Times conducted a survey of nonprofit organizations in order to get an understanding of nationwide online giving over time. From a sample of 759 organizations, the study estimated that the percentage of all organizations receiving online donations rose from 24.1% in 2002 to 37.7% in 2003. The study also estimated that in total, organizations raised \$1.17 billion in online donations in 2002, and \$1.9 billion in 2003.<sup>1</sup> Giving USA, in collaboration with the ePhilanthropy Foundation, offers a more modest estimate of at least \$203 million in 2001, based on a nationwide survey of nonprofit organizations.<sup>2</sup>

This paper uses data provided by Network For Good (NFG) - a nonprofit organization that facilitates online donations to other nonprofit organizations - to provide a more detailed analysis of online donations made through NFG from 2002 to 2003. Using organization information from the Urban Institute's National Center for Charitable Statistics (NCCS), we present a detailed portrait of the organizations that received contributions through NFG, the "early adapters" of this new method of fundraising.

The NFG dataset consists of 166,606 unique online donations made to 12,817 charities through the NFG website, from November 2001 through December 2003. We matched the charities that received the donations with organizational and financial data reported by these organizations on their annual IRS Form 990. This allows us to analyze the donations and receiving organizations over two years by location, organization size, and organization type, and allows us to determine what proportion of the total support for the organization comes from online donations. We also examine the extent to which the donations are made to local (within the same state) charities versus out-of-state charities.

This research provides detailed information about the rapidly growing phenomenon of online giving and the charities that are receiving donations in this new way. Although there have been attempts to estimate the size of online donations, this paper addresses the characteristics of the receiving organizations. It addresses the theme of this year's ARNOVA conference, "The Meaning and Motives of Philanthropy: Responding to the Needs of a Diverse Society," by examining the responsiveness of charities to new technology and explores how they are benefiting from this new fundraising technique.

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**Paper Number:** PA041390

**Paper Title:** The Role of American Philanthropy in Establishing International Women's Human Rights as a Policy Field, 1985-2000

**Author(s):**

Marsha A. Freeman, University of Minnesota, Minneapolis, MN, USA

### **Summary of Research**

This paper is a close examination of how the relationship between a handful of nonprofits and a handful of American foundations became a critical factor in establishing a new global policy field, women's human rights.

This paper draws on research in philanthropy, nonprofit infrastructure, and leadership in both sectors, to provide insight into the cross-sectoral nature of policy development. It comes at a critical point in the history of women's human rights as a policy field.

### **Description**

ARNOVA ABSTRACT

ISSUE: The Role of American Philanthropy in Establishing International Women's Human Rights as a Policy Field, 1985-2000.

STATE OF KNOWLEDGE IN THE FIELD: This paper is a close examination of how the relationship between a handful of nonprofits and a handful of American foundations became a critical factor in establishing a new global policy field, women's human rights. To date no such account exists.

This paper draws on research in philanthropy, nonprofit infrastructure, and leadership in both sectors, to provide insight into the cross-sectoral nature of policy development. It comes at a critical point in the history of women's human rights as a policy field. With major changes in funding sources and sites of activity, and a generational shift about to occur as founding leaders reach retirement age, the questions of legacy and direction must be confronted if momentum is to be maintained.

The current literature on women's human rights tends to fall into several categories, none of which go to the issues of operations, nonprofit management and funding that have been critical to the establishment of the field. The extensive literature in the field includes academic articles, monographs, collections of proceedings, and collections of accounts of particular groups' activities—but does not account for these critical, practical matters.

A considerable literature exists on the historical role of American foundations in shaping policy or issue areas. More recently, discussions of philanthropy and public policy have focused on the organized approach of conservative foundations and donors and the "failure" of US foundations to fund progressive issues such as human rights consistently or on a large scale. The published material in the area of "women and philanthropy" includes examinations of women's roles in professional and individual philanthropy and on women and girls as the subject of philanthropy, but they do not focus in detail on grantees as policy actors—the specifics of their programs and their policy achievements. The Council on Foundations periodically issues reports on international funding and funding for women and girls, but the Council's data are not disaggregated to the level of close examination of donor-grantee relationships and donor attention to specific policy areas. The larger issues relating specifically to funding for work focused on women and girls—half the population—remain largely unexamined; to the extent they are recognized, they tend to be buried in "diversity" discussions.

APPROACH/RESEARCH : This is a contextual study, working from the author's experience and that of close colleagues who were instrumental in the establishment of international women's human rights as a policy field.

a. literature review. The paper will include an account of the women's human rights literature, the women and philanthropy literature, and the management literature, to the extent that they touch on these issues.

b. qualitative research: interviews or e-mail questionnaire based on correspondence, with approximately fifty current and former nonprofit executives, academic experts, United Nations experts, program officers and trustees and other foundation staff, to track the history of nonprofit activities and funding patterns in relation to the development of women's human rights as a policy field. Interviews will be carried out in person in New York and Washington, summer 2004. The author expects considerable cooperation in this project as she has working relationships with all the interviewees, and a number of them have indicated significant interest in this project and its results.

c. examination of Foundation Directory database, foundation annual reports and other archived materials (some in the hands of the nonprofits) to document funding patterns

CONTRIBUTION TO THE FIELD. With dramatic growth in activism and expertise in the global South and Nations in Transition, equally dramatic changes in the American funding climate, and pending changes in leadership as the founding generation begins to consider retirement, US-based practitioners in the women's human rights field, including philanthropy, must consider the best ways to position resources to build on the accomplishment of the last decade and provide spaces in which new leadership can emerge. This study will provide a framework for understanding the relationships that provided a foundation for development of the field—and for considering what is needed if the legacy is not to be lost.

The chief actors in policy fields such as this one rarely have the opportunity to examine the arc of their achievement and to consolidate their legacy. Discussions in the course of this study and its publication will provide that opportunity.

#### FOOTNOTES

See, for example, the extensive bibliography and resource list on women's human rights maintained by the University of Toronto Law Library.

The author acknowledges the excellent groundwork laid in the work of Molly Mead and Mary Ellen Capek. The intent of this research is to build the next level of examination.

**Paper Number:** PA041411

**Paper Title:** Case Studies in Philanthropic Leadership from the Career of Cal Douglas, Nonprofit Executive Search Consultant

**Author(s):**

A. K. Jonas Hiner, Jonas Hiner and Associates, Noel Village Institute for Social Research, Spokane Valley, WA, USA

**Summary of Research**

**Executive Summary:**

This paper presents a narrative study of the career of a nonprofit executive search consultant which answers a basic research question pertaining to the nature of philanthropic leadership, based on case studies drawn from the career of Cal Douglas, a nationally known and well-reputed nonprofit executive search consultant.

**Description**

**Presentation Outline:**

Part One answers the basic research question—From the experience of a consultant working closely with philanthropic leaders all over the country during the last 25 years, leaders who were candidates, hiring CEOs and Board presidents for executive searches that were completed successfully, “What are the key attributes of truly philanthropic leaders?” A corollary question is also answered, “Why is it important today for nonprofit organizations to place more senior administrators, who are truly philanthropic leaders, in crucial leadership and management roles?” (In other words, Why can't they simply be competent business executives and/or “good old boys” and “good old girls,” who superficially fit, or cynically promote, a generally accepted definition of “philanthropy” and being a “philanthropist,” found on the website of the Philanthropy Center at IUPUI, namely, “Philanthropists are people who engage in voluntary action for the public good?”

Part Two presents selected findings drawn from eight case studies of executive searches conducted by Cal Douglas of typical searches he conducted during his career, ones that exemplify what he thinks makes up a “philanthropic leader” and why in each case it is important for xyz institution to hire that kind of senior administrator, whether as a Director of Development, a Foundation President, or Senior Planned Giving Director. These case studies consist of narrative reports given to me from twenty-four 30-45 minute taped telephone interviews with the hiring authority and the placement in each case, as well as a brief taped commentary by Cal Douglas in each case.

Part Three presents a conclusion including a discussion of the findings and a research overview for conducting narrative research on philanthropic leadership. I refer to a copyrighted handout of mine, which is distributed to the attendees, containing both a conceptual framework and a literature review for further research, using the findings of this presentation of from the career of Cal Douglas as the basis for further research. I also describe what a multi-year research project would look like in which several hundred nonprofit CEOs, Board presidents, CDOs and Human Resource directors throughout the country would be surveyed and interviewed, and suggest the theoretical framework for developing a first-ever grounded theory of the nature of “philanthropic leadership.”

An extensive bibliography is also provided, as an additional handout to attendees extending well beyond the sources for the most popular work done recently in Philanthropic Studies at IUPUI's Philanthropy Center, namely, “Fundraisers: Their Careers, Stories, Concerns, and Accomplishments” (1997), by Margaret A. Duronio and Eugene R. Tempel; “Notable American Philanthropists: Biographies of Giving and Volunteering” (2002) by Robert T. Grimm, Jr. (Ed.); and, “Charity, Philanthropy, and Civility in American History” (2003), by Lawrence J. Friedman and Mark D. McGarvie (Eds.).

**Paper Number:** PA041159

**Paper Title:** Working for social change: Activists examine the ethical implications of confrontation tactics

**Author(s):**

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### **Summary of Research**

Successful social change often involves confrontation and conflict with people in power. Some of the tactical methods used can involve actions such as strikes, protests, and boycotts that can be harmful to others. Consequently, activists must examine the ethical implications of their actions. However, there are few formal ethical frameworks that can be used by activists. In this paper, the author examines how political activists weigh the ethical implications of their tactics. Qualitative interviews were conducted with fifteen political activists. Findings indicate that activists use a variety of techniques including ideology, expediency, and consultation with constituents to make ethical decisions.

### **Description**

Putnam (2000) has argued that political activism and the ability to influence social change is an essential component of civic engagement and the production of social capital. These activities improve the quality of life in communities and society as a whole. Social change requires that political activists employ a variety of strategies and tactics to lobby for legislation, gain public support, elect progressive political candidates, and work for the reallocation of resources to assist marginalized groups. Often effective social activism involves confrontation tactics. Picketing, demonstrations, strikes, and boycotts can be potentially harmful to members of the target group, causing humiliation, social ostracism, or loss of employment (Fisher, 1994).

□ Little discussion has taken place among activists about the ethics of using such tactics. Often ethical reference points are limited to Saul Alinsky's writings on the ethical reasons why confrontation tactics should be used. Alinsky (1970) argued that in most social change-related organizing, "the ends justify the means"; (p. 24). Many organizers and social activists maintain that ethical tactics are those that are justified by the seriousness of the issue (will people be harmed if action is not taken), the salience of the issue to the public, and the nature of the relationship (colleague, opponent, adversary) between those with the power to make decisions and the activist (Brager, Specht, & Torczyner, 1987; Netting, Kettner, & McMurty, 1993). Consequently, efforts to resolve ethical dilemmas are often made on a case-by-case basis or situational basis (Hardcastle, Wenocur, & Powers, 1997).

The lack of a clear ethical framework can cause much confusion for people, both volunteers and professionals) who are just beginning to engage themselves in the social change process. In addition, activists may be confronted with an additional dilemma. Reisch and Lowe (2000) note that some situations that appear to contain ethical concerns for the organizer are actually problems that should be addressed by others (for example, constituency group members). Consequently, before confronting the dilemma in question, the organizer must determine whether he or she is actually responsible for handling the problem and who should be consulted.

In this paper, the author explores the process through which political activists examine the ethical implications of their actions. Fifteen qualitative interviews were conducted with activists and community organizers who have held paid positions in social action-related organizations. Interview questions focused on instances in which the activist faced an ethical dilemma and how that dilemma was resolved. Snowball sampling was used to identify prospective participants. Findings indicate that activists use a variety of techniques to weigh the ethical implications of their actions including ideology, expediency, and consultation with constituents.

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**Paper Number:** PA041264

**Paper Title:** Building Communities - Using the Internet to develop Social Capital

**Author(s):**

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**Summary of Research**

This research explores the rise of fan communities on the Internet. Survey information and personal narratives will develop the ideas of community building and social capital within this sphere. Existing literature on the three theories will shed light on the contributions made in "virtuality" and explore the impact the Internet has on social capital, proving that there are many positive aspects to virtual community building and that the Internet can serve as a facilitator to create alternative community and family structures. This research will explore how communities should leverage the Internet to re-engage individuals through experiences in the virtual community.

**Description**

Building Communities - Using the Internet to develop Social Capital - Christina Koennecke  
Can a Fan Site build Social Capital?

**Abstract**

The Internet has become as much a part of our lives as watching TV, listening to the radio or driving a car. Yet we have taken to the Internet faster than we have taken to any other invention in modern history. This attitude of "taking for granted" access to the World Wide Web has sparked a heated debate among philosophers, sociologists, anthropologists and even politicians. Most argue that the Internet is rapidly eroding our societal norms and creating a deficit in our store of social capital. Children and young adults are adopting the Internet as an alternative to traditional community and family structures, causing critics of the Internet phenomenon to argue that the Internet is distorting normal socialization behavior. Yet, there are a few voices arguing for the positive effects of Internet usage. These voices argue that the Internet builds alternative community and family structures and is filling the gap left by the failures of traditional structures. This research provides a view of a relatively new Internet phenomenon, the fan site. Using survey data, personal narratives and existing research in this debate, this research will show that participating in alternative virtual communities actually benefits and builds on traditional notions of community and family.

In the last decade, analysts have been attempting to discern the impact of the Internet on society in whole. For every aspect of Internet usage, there are myriad hypothesis that support the use of the Internet, argue that there is a minimal impact felt by the Internet, but mostly critics hail it as a harbinger of a society on the brink of demise. They argue that society is declining, along with our store of social capital, because we are surfing alone, rather than connecting with the community around us. This discourse is not new by any means; these arguments began with the invention of the printing press, then the mass production of the automobile, the telephone, the television, and now with the invasion of technology into the very heart of our homes. It is clear that each of these inventions has changed every aspect of every society into which it was introduced. There are proponents as well as detractors in this debate with messages of certain doom and so forth. The debate has evolved just as is subjects, yet with the advent of the Internet, it has taken on a more fevered pitch.

The debate is now more heated seeing that the Internet permeates every facet of our lives, it is no longer the novelty as it has been debated as in the last decade. The Internet affects everyone, even those that do not have it, leaving them behind on the losing side of the digital divide. Since its inception, the public has at a speed greater than any invention before adopted the Internet as a given into their lives. Studies, focused on mapping the Internet, illustrate that by 1999 more than 1/3 of households surveyed, reported that they were connected to the Internet. With this rapid adoption of the Internet, one would assume that something has to give and this is where the debate takes on its most

fervent tone.

### Purpose

In all of the literature reviewed, it is hard to find a researcher whose analysis suggests that the Internet does not exert any kind of social effect. With that much in common, there is however, considerable disagreement as to what kind of effects the Internet provokes, on what specific aspects and dimensions of personal and social life it works, and which particular features of its use are responsible for its effects. Some critics argue that the Internet will produce a further disintegration of community life, a loss of social contacts and a decrease in feelings of well being.<sup>1</sup> On the other hand, there is also substantial evidence that Internet use engenders participation in virtual communities, participation that is beneficial for the maintenance and proliferation of social relations and that participation in these communities actually heightens self-esteem.<sup>2</sup> In virtual communities the traditional notions of hierarchies and rules are flattened out, a phenomenon that contributes to rapid trust building. Anthropologists argue that on the Internet, discrimination is “virtually” nonexistent. Internet communities operate as if veiled from the social problems that are inherent to traditional communities.

### Plan of Work

In order to understand the impact of the Internet, it is vital to unpack some of the terminology that is implicit to its operation. For example, I will define the terms of virtual communities. Some researchers argue that they are only pseudo-communities, but its participants believe they are “real” communities. Even within virtual communities, it is notable that there are two distinguishable types. The first is a more traditional sense of the physically based communities that use the internet as an electronic resource as an addition to traditional structures for its participants use. The other and more common is the geographically dispersed virtual community with members participating due to shared interests in a topic, not their location.

### Methodology

#### Developing a Survey

The survey that will be used in this research will be a self-completion survey. The survey will be posted on selected fan sites. The survey will explore basic demographics, user attitudes about the site, current understanding of community building and social capital, and how being a member of the virtual community has added (or detracted) to their personal lives. The data will be presented in both narrative and graphical form as applicable.

#### Using Personal Narratives

In order to provide additional depth to the survey and to the research, personal narratives will be used. Particularly the narrative will explore why this person chose to create a fan site to begin with, what they are hoping to gain from it and what it has added to their life thus far. The narrative will be included as it is written with some conclusions drawn from them based on the existing research and the three theories described below.

#### Reviewing Existing Research

This is an important aspect of any research, because research should not happen in a vacuum. With this topic, there are ongoing debates, both for the use of the Internet and what it has added to the social capital debate and what it has taken away. It is necessary to present the opposing viewpoint, if only to provide strength and depth to the theory presented in this research.

#### Exploring the Three Theories

There are three theories that have created the debate on the impact of the Internet on American civic engagement and community building. Exploring these theories against the information discovered with the survey data and personal narrative will provide the research with an informed perspective on the impact of Internet usage on social capital.

1. The Internet transforms social capital: The Internet provides the means for inexpensive and convenient communications with far-flung communities of social interest. Coupled with the Internet's low cost and often asynchronous nature, this leads to a major transformation in social contact and civic

involvement away from local and group based solidarities and towards more spatially dispersed and sparsely knit interest based social networks.<sup>3</sup>

2. The Internet diminishes social capital: The Internet through its entertainment and information capabilities draws people away from family and friends. Moreover, by facilitating global communication and involvement, it reduces interest in the local community and its politics.<sup>4</sup>

3. The Internet supplements social capital: The Internet blends into people's life. It is another means of communication to facilitate existing social relationships and follow patterns of civic engagement and socialization. People use the Internet to maintain existing social contacts by adding electronic contact information to telephone and face-to-face contact. Further, they often continue their hobbies and other interest online. This suggests that the Internet helps increase existing patterns of social contact and community engagement.<sup>5</sup>

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- 2 Kazmer & Haythorhthwaite, 2001; LaRose, Eastin & Gregg, 2001; Pew, 2000, 2001
- 3 Barlow, 1995; Wellman 2001
- 4 Nie, 2001; Nie, Hillygus & Erbring, 2002
- 5 Quan-Haase & Wellman, 2002; Chen, Boase & Wellman, 2002

**Paper Number:** PA041276

**Paper Title:** The Benefits of Belonging: What do Members Value in their Associations?

**Author(s):**

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**Summary of Research**

The apparent decline in membership in voluntary associations has attracted attention in a number of countries. This paper reports some results from a collaborative research project involving associations drawn from five different fields of activity. Part of the project involved identifying features of membership that members valued. Literature, interviews and focus groups identified 15 benefits of membership. These were either relational or material in orientation. Findings from a survey of members indicate clear differences in the distribution of benefits accordingly to the field of activity of the association. The research illustrates the complex array of reasons for belonging to associations.

**Description**

The apparent decline in membership in voluntary associations has attracted worried attention in a number of countries (Lyons, 2001; Putnam, 2000; Peetz, 1998; Selle and Oymyr, 1992). For some, it portends a decline in democratic practices and institutions; for others a decline in social capital. Leaders of voluntary associations are also concerned about declining membership. This paper reports some results from a collaborative research project between a university research centre and associations drawn from five different fields of activity (sport, pharmacy retailing, natural resource management, motorists' services and social/recreation). All associations were formed primarily to provide benefits to their members. Approximately half of the participant organisations in each field were considered successful in growing membership, whilst the others experienced the more general decline. Part of the project involved identifying features of organisational membership that members valued. There is a wide literature that addresses aspects of membership drawn from many disciplines including sociology, political science and economics as well as cross disciplinary fields such as non-profit studies (Laville and Nyssens, 2001; Smith, 2000; Verba, et. al. 1995; Jordan and Maloney, 1997). Put simply, membership benefits can be grouped as either material or relational.

Information derived from the literature, interviews with associational leaders and focus groups with members enabled us to identify 15 items which we grouped into four categories of benefits: material, self-improvement, relational-mutual, relational-altruistic. These items were included in a more extensive survey administered to 1, 200 members drawn from all participating associations. Analyses of responses indicate the validity to our benefit typology. Results also indicate clear differences in the distribution of member benefits according to the field of activity of the association. Smaller differences between successful and other associations within each field were also detected with successful associations generally displaying stronger member valuation of relational benefits. There were also small differences between members' reasons for joining an association and currently belonging. In associations from three fields, this movement was towards greater valuing of relational benefits whilst in the two other fields, the movement was towards greater valuing of material benefits. The research illustrates the complex array of reasons for belonging to associations and the challenges faced by association leaders who would seek to build membership.

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**Paper Number:** PA041401

**Paper Title:** Civic Engagement and the Canvass

**Author(s):**

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**Summary of Research**

How does working for a social movement organization as a canvasser for a local campaign effect civic engagement? This paper presents the results of a two-year study of canvass participants from the 2003 summer canvass of one of the largest canvassing organizations in the United States to answer this question. The paper concludes by applying our findings to discussions about the ways that young people are presently becoming politically engaged.

**Description**

This paper builds on the findings of a two-year multi-method study examining civic engagement among those people who have gone door-to-door for a social movement organization. Each summer, thousands of young people in the United States work at the campaign offices of non-profit organizations (501(c)(4)s) in what is called the "summer canvass." Enticed by the idea that they could "be part of the solution" and take their "conscience to work," they spend their summer vacations going door-to-door or standing on the street, recruiting and renewing memberships for organizations such as national environmental, consumer, human rights, and child-assistance groups. The purpose of a canvass is, perhaps, best described in the words of Boyte (2001: 3), as "a method for large scale [citizen] mobilizations to counter corporate pressure to roll back environmental, consumer, affirmative action, and other government regulations." In summer 2003, some of these campaign offices sent canvassers more than an hour away to garner support for local and national political initiatives. In many ways, the canvass epitomizes the connection between local organizing and national politics: most canvasses are nationally coordinated and aim to achieve broad political goals through the mobilization of local citizens. In other words, the summer canvass builds political support for social issues that have legislative pertinence, educating citizens face-to-face about the state of affairs on the national and/or state-level. Throughout summer 2003, the project's research team observed over 200 young people being trained in organizing skills and educated about the issues that they discussed with citizens at their doors and on the streets.

In contrast to the recent academic literature on civic engagement that has found citizens to be less involved in democratic activities (see, for example, Putnam 1995, 2000; Eliasoph 1998), the summer canvass has become a popular tool for a diverse array of organizations. With this relatively innovative method of maintaining large numbers of social movement organization memberships in key Congressional districts, the summer canvass is a good example of the type of engagement about which Skocpol speaks when she states that "Americans are finding new ways to relate to one another and accomplish shared tasks" (emphasis in original, 1999:499; see also Sirianni and Friedland 2001).

This paper develops a fuller understanding of the ways that young people in America are participating in the democratic process through the summer canvasses of national social movement organizations. To that end, we include the results of an in-depth study of one of the largest canvassing organization in the country analyzing the civic engagement of the young people involved in the 2003 summer canvass. During summer 2003, the organization ran 63 canvass offices. In an estimation provided by a member of the national staff, the 2001 summer canvass had over 275 canvass directors who oversaw the thousands of young people who participated in the 2001 canvass. Based on the research team's observations, the 2003 canvass was of similar size. The sheer volume of the canvass allows the organization to run campaigns for multiple social movement organizations. In the words of the Organization's Website, "Individual organizations...hire [us] to accomplish specific objectives, including building a membership, generating political support for an issue, or raising funds. [We], in turn, hire a staff of canvass directors, ...canvassers,...and others to carry out our assigned objectives." This past summer, for example, the Organization ran canvasses for more than four social movement

organizations with goals as diverse as poverty alleviation, rights for same-sex partnerships, and environmental goals. Because it is one of the largest canvassing organizations in America and runs canvasses for many other national organizations, it provides an ideal opportunity to look at the civic engagement of young people participating in the canvass as a unique tool for political organizing.

This paper addresses three main questions. First, the study explores what sections of the population are drawn to participate in political and service-oriented work such as the summer canvass. Second, the study looks at why these young people choose to participate in these canvasses. Related to this question, the project studies the manner and degree to which young people working at a summer canvass become politically engaged in the issues during their training and canvassing. Third, we will explore the degree to which involvement in a summer canvass had lasting effects on the young people who participated in the 2003 summer canvass. In short, we present findings regarding the efficacy of this type of civic engagement of young people for developing life-long citizen skills using both quantitative data that compares canvassers to a national sample of young people and qualitative data collected during semi-structured interviews with canvassers from a stratified random sample of summer canvasses in the United States.

Our paper will be of interest to both practitioners and scholars of civic engagement and civil society. First, the results inform our overall understanding of the ways that young people are presently becoming politically engaged. We provide empirical data for what has become an overly theoretical discussion about civic engagement and civil society within academic circles. Because of the geographical diversity of the sample, results of this project go beyond the single case-study approach to allow for comparisons of youth engagement throughout the United States. Second, the results provide insight into the effectiveness of one important way that young people in the United States are becoming politically active. Third, the results of this project help identify opportunities for national social movement organizations to develop tools for civic innovation that can further harness the strength of the summer canvass. In other words, this project will contribute to the development of what Boyte calls "approaches that take the lessons of recent democratic experiments and generalize them across society" (1999: 6).

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**Paper Number:** PA041237

**Paper Title:** Collaborative Partnerships: The Methodological Challenges of Assessing the Process

**Author(s):**

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**Summary of Research**

Beginning with an overview of the collaboration literature and the types of collaborative alliances that may exist in communities, this paper will report the results of a study of Homeward, a partnership of homeless service providers in Richmond, Virginia. The challenges associated with conducting research on collaborative partnerships will be examined in the process of reporting what was learned through survey and focus group methods. A primary finding concerns the tiered partnership strategy used by Homeward to develop a nationally recognized planning process.

**Description**

Homelessness is a pervasive social problem in the United States. Although multiple strategies are being used to address the problem, it is often difficult for one group or organization to provide all of the services needed by different segments of the homeless population. Most communities have found that in order to address a social problem as complex as homelessness, it is often necessary to form partnerships with other groups and organizations in order to expand their ability to develop an effective and efficient system of service provision. Collaborative alliances (Bailey & Koney, 2000) have been identified as a strategy to mobilize organizations and expand their service delivery during a period of increased competition for fewer resources.

This study examined the collaborative strategy used by an organization called Homeward located in Richmond, Virginia. Homeward is a broker organization (Chaskin, Brown, Venkatesh, & Vidal, 2001) that was created in 1998 to mediate and nurture relationships among partnering organizations in order to facilitate the collaborative process required by the United States Department of Housing and Urban Development (HUD) to receive Continuum of Care funding. The collaborative process used by Homeward to partner with other groups and organizations that work with, serve, and advocate for homeless persons is the focus of this study. Specifically, this project sought to identify the motives for participation and the perceptions of Homeward's collaborative process among a diverse group of organizations.

The collaboration literature identifies a number of factors that are necessary for a successful collaborative partnership: leadership, an efficient and effective organizational structure; resources that will facilitate the process, favorable external conditions that support collaboration and the inclusion of key stakeholders, vehicles for communication (within and outside of the group), the ability of partners to balance their responsibility to and self-interests of their individual organizations and the partnership, a clear reason or purpose for the collaborative effort, commitment, and a shared vision and purpose are among the factors that have been also identified (Austin, 2000; Austin, et al., 2001; Chrislip & Larson 1994; Foster and Meinhand 2002; Gray 1989; Johnson, et. al., 2003; Mizrahi & Rosenthal, 2001; Mulroy, 2003; Mulroy & Shay, 1998; Wolff, 2001).

Descriptions of these characteristics are plentiful in the collaboration literature.

However, these descriptions often focus on collaborative partnerships that have a clear understanding of what organizations are considered to be partners and a formal process for defining commitment, roles, and responsibilities. They do not often describe the alternative forms of collaboration that may have tiered levels of participation and the challenges of conducting research on collaboratives that include organizations from different sectors and encompass a variety of organizational structures, forms, and cultures. Issues related to how organizations perceived their affiliation with the broker organization, the absence of a formal structure for identifying partners, and the varying levels of participation emerged in this project. Organizations that have been active in the partnership report overall satisfaction with the planning process. Developing relationships with other partners, having a larger impact on the issue by working with other organizations, increasing the use of their organization's skills and expertise, and the enhanced ability to meet clients' needs were identified as motives for

participation. However, a number of organizations indicated they did not consider themselves to be partners even though they are included on the provider list maintained by Homeward and may have participated in activities sponsored by the collaborative. This paper will discuss the use of a cross-sectional survey and focus group methodology to evaluate the motives for participation and perceptions of the effectiveness of the planning process despite the challenges the partnership's structure presented. The paper will contribute to the collaboration literature by focusing on a different configuration of a collaborative partnership than what is generally found in the literature.

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**Paper Number:** PA041255

**Paper Title:** Coding California: Results of an NTEE-CC Verification Project

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**Summary of Research**

This paper documents the methods and results of a project to verify purpose codes for 16,000 501(c)(3) organizations in Southern California. Included are discussions of the process of training coding teams, the challenges of interpreting the classification system and dealing with ambiguities and complexities of organizations and their activities, and the merits of the results as measured against the investments made in acquiring the information. The researchers intend both to share the results of the project with other researchers, and to help inform larger efforts to improve the quality of regional- and national-level classification data.

**Description**

This paper documents the methods and results of a project to verify purpose codes for 16,000 501(c)(3) organizations in Southern California. The project included team members in five counties within the 10-county region who were trained in the NTEE-CC classification system developed by the National Center for Charitable Statistics. The trained coding teams then consulted local and regional sources, including Web sites like GuideStar or the California Attorney General's Office, and in many cases visits to organization Web sites or phone conversations with organization representatives, to either confirm or replace NTEE-CC codes in the project file for their respective counties based on available information about the organizations' activities, mission and constituents. When codes were replaced, sources were documented to support the reason for the new code.

Of 16,187 records in the original Southern California file, 1,333 organizations (8 percent) contained no code. Of the remaining 14,854 records that contained a code, 12,047 (81 percent) were verified as accurate, and 2,087 (19 percent) were recoded to a different Major Category (within the series of 26 A through Z codes). Results were less pronounced when the 26 Major Category codes were collapsed into the 10 Class Category groups (within the series of 10 I through X codes). Recoding resulted in changes of Class Category for only 2,291 organizations (15 percent).

This paper will discuss the process of training coding teams, the challenges of interpreting the classification system and dealing with ambiguities and complexities of organizations and their activities, and the merits of the results as measured against the investments made. With this discussion the researchers intend both to share the results of the project with other researchers, and to help inform larger efforts to improve the quality of regional- and national-level classification data.

The researchers conclude that the manual approach employed in this project (examining every organization in the file) yielded useful results by correcting codes for 15 to 19 percent of the file, thereby allowing their subsequent closely focused, county-by-county analysis to be as accurate as possible. Further, the researchers conclude that using this sort of manual review, by researchers familiar with the local nonprofit sector, is necessary to make the data most useful for future use by other researchers and practitioners, for instance, by making it possible to better identify advocacy organizations across the various service fields, or to distinguish between, e.g., mental health advocacy and mental health services. The team coded most organizations to the third layer (e.g., Class (I-X), Major Category (A-Z), and subcategory (02-19+)).

The researchers also will share suggested strategies for making coding decisions that they developed in the course of coding, which will in some cases supplement the guidance in the NTEE manual and in

others suggest possible modifications.

This study's approach to coding may be feasible in similarly small-scale projects as adjuncts to the necessarily more systematic approaches being utilized to clean the national file.

**Paper Number:** PA041297

**Paper Title:** What Works in Surveying Nonprofit Organizations?

**Author(s):**

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**Summary of Research**

The research for Giving USA involves sending surveys to 7,200 nonprofits each spring. Even with short, easy questions, we struggle to attain acceptable response rates. This paper will analyze the impact of using FedEx, blast faxes, pre-survey contacts, web options, and an alternative to “opt out” of the study early in the process. We will test whether these various approaches have any effect on response rates. We will also test whether late responders are the “same” or “different” from earlier respondents. This will give us an indication as to whether or not we should be concerned about “non-response” bias.

**Description**

In a random survey of 3,000 nonprofit organizations, which was random stratified by size and subsector, Hager (2002) found that using FedEx essentially doubled the response rate compared to using US Mail (First Class). He also found that small incentives (\$1 or \$10) did not matter but that a large incentive (\$50) also effectively doubled the response rates.

For the past few years, we have been sending surveys to 7,200 NPO's each spring, in order to gather data for the annual publication of Giving USA. We have kept the survey to one page and have only asked for 6-8 points of data (3-4 questions, asking for data for the two most recent years for each). Even with relatively short and relatively easy questions (total charitable revenue, total revenue from all sources, total charitable bequest revenue, total number of charitable bequests, and questions about gifts from 9-11 in 2002 and 2003), we have struggled to attain response rates that would make us happy. Our difficulty in reaching an acceptable goal is exacerbated by the fact that we are asking for the preceding year's data in January and February, which is too early in the new year for most NPO's to have their prior year's data. It has also handicapped us by the fact that we cannot remain in the field for as long as one might normally prefer.

These conditions have encouraged (forced?) us to experiment with different strategies to increase response rates. Given the large size of these samples and the annual nature of this study, it provides a natural laboratory to experiment and test various techniques. This paper will analyze the impact of using FedEx, blast faxes, pre-survey contacts, web options, and an alternative to “opt out” of the study early in the process.

We will use traditional statistical techniques to test whether or not these various approaches have any effect on the measured response rates. We will also test whether or not late responders are the “same” or “different” from earlier respondents. This will give us an indication as to whether or not we should be concerned about “non-response” bias. Although previous researchers (Hager, 2002; Smith, 1997) have found little evidence of major differences between survey responders and non-responders in surveys of nonprofit organizations, this paper will make an independent contribution to the topic of survey non-response and the resulting bias of results.

Hager, M.A. (2002). An introduction to the Overhead Costs Study: Method and data. Paper presented at the annual conference of the Association for Research on Nonprofit Organizations and Voluntary Action.

Smith, J. (1997). Nonresponse bias in organizational surveys: Evidence from a survey of groups and

organizations working for peace. *Nonprofit and Voluntary Sector Quarterly*, 26, 359-368.

**Paper Number:** PA041361

**Paper Title:** How Large is the Nonprofit Sector in California?: New Ways of Providing Estimates of Size

**Author(s):**

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**Summary of Research**

This paper contrasts two methodologies for estimating the size of the nonprofit sector in California - manually matching the Internal Revenue Service Business Masterfile, the Registry of Charitable Trust and the Secretary of State's listing of incorporated public and mutual benefit organization and using the Franchise Tax Board's records as a crosswalk. The paper evaluates how the strategies yield somewhat different results and discusses reasons for the differences and implications for estimating size of the sector.

**Description**

There is widespread agreement that the Internal Revenue Service Business Masterfile (BMF), the most typically used source of statistical information on nonprofits, provides an only partial source to understand the numbers of organizations in existence (Dale, 1993; Gronbjerg, 2002; Institute for Nonprofit Management, 1995; Gronbjerg and Paarlberg, 2001; O'Neill, 2002). Very small organizations – those with annual revenues of under \$5,000 - are not required to file for a tax exemption at all. Those with revenues of between 5 and 25 thousand are not required to file annual tax returns, and thus may remain counted when in fact they are no longer in existence. Religious organizations are further exempt from registration.

□The Institute for Nonprofit Organization Management used the strategy employed by other research centers such as Indiana and UCLA and matched the Registry of Charitable Trust and Secretary of State's listing of incorporated mutual and public benefit organizations to the BMF in California using unique identifiers when available and similar names and addresses otherwise. The results of this matching and cautions about its problems were detailed in the paper we presented at ARNOVA last year (Silverman and Rafter, 2003.). In this paper, we discuss a different methodology to accomplish the same aim – a more complete listing of nonprofit organizations than provided by the BMF. The Franchise Tax Board (FTB) collects both EIN's and corporate identification numbers. While this information is not publicly available, the FTB was able to provide a crosswalk for us. We contrast the differences between this approach and the one used previously, and make updated estimates of the size of the nonprofit sector in California and the overlap between the BMF, Registry and SoS's listings. We use this approach to evaluate the reliability of data matching and analyze the differences in results found with the two methodologies. We conclude with suggestions about how other states might accomplish similar projects.

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**Paper Number:** PA041040

**Paper Title:** Verification of Accountability in Multicultural Settings

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**Summary of Research**

This paper examines the verification process of accountability in Third World Development settings. Accountability has been traditionally conceptualized as a set of formal procedures used to obtain information to verify performance of an organization. INGOs tend to rely on this approach as primary methods to manage accountability expectations. LNGOs and GROs have been mandated through recent development funding to adopt these formal/rigid procedures. We argue that it is a mistake to conceptualize accountability merely as a formal process. Verification of accountability in Third World development efforts takes place in multi-cultural settings, which implies a need for multi-dimensional approaches.

**Description**

Accountability is a crucial issue for executives and trustees of international nongovernmental organizations (INGOs). Stakeholders are increasingly calling for them to demonstrate higher levels of performance and program effectiveness. Formal procedures have most often been used to obtain the information necessary to verify organizational performance and measure inputs, processes, outputs, and outcomes. INGOs have tended to rely on formal approaches as the primary means by which to manage accountability expectations.

More recently, local nongovernmental organizations (LNGOs), and Grassroots Organizations (GROs) have been encouraged, and in some cases mandated through recent development funding, to adopt these formal and rigid procedures. Yet many smaller organizations lack the professional and organizational capacities necessary to use formal accountability procedures. Thus, efforts to fund and increase their professional capacities have been underway. In the process, however, the democratic integrity of these small organizations may be compromised. Also, formal accountability processes are typically standardized--that is--one size fits all. But can accountability in organizations across the globe really be managed by using only a single set of standardized formal procedures?

We argue that it is a mistake to conceptualize accountability as a set of formal processes that can be successfully transferred from one location to another. Verification of accountability in Third World development efforts takes place in multi-cultural settings and calls for the use of multi-dimensional approaches. The accountability processes that are adopted by an organization should reflect factors present in the culture if the data that are derived are to be meaningful and accurate. Using empirical data and a case study that documents the field experiences of an INGO in three countries, we show that multiple approaches can be successfully used to measure and verify organizational performance and outcomes—and without compromising organizational integrity.

**Paper Number:** PA041343

**Paper Title:** Motivating philanthropy with truth in financial and organizational reporting

**Author(s):**

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**Summary of Research**

Tax incentives increase contributions to charitable organizations (Reece-Zieschang 1985, Andreoni 1990). Paying for those incentives raises tax rates on everyone. Thus both donors and non-donors seek information about charitable organizations. Available information covers few charitable organizations. We examine charitable organizations exempted after 1994. One-fifth report their financial affairs to the IRS. Religious organizations report the least and general health organizations report most frequently. These rates reflect filing thresholds and a filing exemption for religious organizations. We offer ways to obtain more information from newly-exempted organizations that conform with the public's right to know about benefits related to tax subventions.

**Description**

1. Births in the Master file

Information from IRS Forms 1023 and 1024 describes all organizations that are approved as tax-exempt. Cumulating that information we obtain the Master file that includes active and defunct organizations. Some active organizations report their activity on Form 990/990EZ information returns; others are not required to provide information returns because they are small, government organizations, or religious organizations. Master contains over 1.7 million records. We restrict this analysis to approvals obtained after 1994 and before November 2002. This sample of exempt organizations includes 340,982 organizations. Approvals include all organizations beginning status as exempt and about 0.5% of organizations whose exempt status is modified to reflect changes in corporate name, applicable code section, or statement of purpose. The number of approvals has grown steadily. Second, 501(c)(3) public charitable organizations constitute nearly 9/10 of the approvals over this eight-year period. Third, the number of approvals has increased substantially for 501(c)(3) organizations, in all years but 2002. The number of approvals varies substantially within each year, and shows little seasonal pattern. The trend of the approvals is positive and significant with an increase of 192 approvals per month over the months from January 1995 to October 2002. The trend arises from increases in the number of exemptions granted to 501(c)(3) organizations. Neither (c)(4) nor other exempt organizations show a significant trend in new rulings. The trend in (c)(3) approvals accounts for 94% of the variation in (c)(3) approvals over the period. The distribution of trends across sectors of the 501(c)(3) organizations is also substantial. While 17 of the 26 major sectors show large increases in the numbers of new exemptions approved, the remaining 7 have quite stable levels of approvals.

2. Filing of 990 information returns

Sample organizations were linked to 990 information returns pertaining to accounting years beginning in the interval 1994 to 2001. The comparison thus includes all organizations filing for accounting periods ending in 1995 up to those whose accounting periods end in 2002. The link provides answers the question: What proportion of new organizations file Form 990/990ez within a specified period after the approval? Organizations approved near the beginning of our sample period (1995-2002) are at risk to file returns in more years than organizations approved in later years. Most organizations approved in 2002 did not complete an accounting year before the cutoff date for inclusion in the Returns Transactions File for 2001. Filing rate rates are calculated for a time window defined relative to the year of approval. The number of organizations that are at risk to file in each window varies.

Time window examined  Approval years  
(variable name)  First  Last  
1994 to year of approval (filed0) 1995  2001

The ratios can be thought of as the proportion of approved organizations ever filing in intervals relative to the year of approval. For 1995 approvals filed<sub>0</sub> includes one filing year prior and six subsequent filing years. For 2001 approvals filed<sub>0</sub> includes six filing years prior and one filing year. This asymmetry in years at risk would be of no consequence if all organizations began operations in the year of approval. However, some new organizations begin under a preliminary ruling; others may file 990s for publicity or out of ignorance of procedures applicable to exempt organizations. Some ongoing organizations make changes in their legal structure that do not require a new EIN. That possibility implies that filings prior to the year of approval can overstate the filing practice of new organizations. Filed<sub>3</sub> measures the extent of filing attributable to including all years after 1994 and prior to an accounting year that begins in the year prior to approval. Filing rate for this interval is subtracted from filed<sub>0</sub> to give a lower bound estimate of filing rates for new organizations.

Over all eligible approvals, filed<sub>0</sub> rises from 0.20 to 0.30 to 0.34 as the number of years at risk extends from the year of approval to four years after approval. Within the 27 classes defined by the letters of the NTEECC classification, E (Health - General) shows the highest rate of filing near the year of approval and X (Religion-related) shows the smallest. Religious organizations are exempted from annual information reporting, unless they receive grant and contract funds from the Federal government. So this finding is no surprise. General health organizations have the highest reporting rate for each of the filing periods. Y (Mutual/Membership benefit) organizations rise from low filing rates near the year of approval to just under the level for health organizations. Compare Table 3, rows G and Y.

Table 3. Ever filed 990/990ez relative to date of rule approval, "new" exempt organizations, 1995-2001  
By NTEECC

All  $\square$  filed<sub>0</sub>-filed<sub>3</sub>

Mean  $\square$  0.1745    N  $\square$  299969

A Arts, Culture & Humanities -

Mean  $\square$  0.1950    N  $\square$  24798

B Education

Mean  $\square$  0.2724    N  $\square$  35315

C Environment ---

Mean  $\square$  0.2166    N  $\square$  5966

D Animal Related -

Mean  $\square$  0.1524    N  $\square$  4750

E Health - General

Mean  $\square$  0.3680    N  $\square$  9093

F Mental Health --

Mean  $\square$  0.2552    N  $\square$  4102

G Health - Disease Specific (general) --

Mean  $\square$  0.2695    N  $\square$  2074

H Health - Disease Specific (research) -

Mean  $\square$  0.3465    N  $\square$  1593

I Crime, Legal Related

Mean  $\square$  0.2162    N  $\square$  4251

J Employment, Job Related -  
Mean 0.2674 N 2337

K Food, Agriculture, Nutrition -  
Mean 0.2036 N 1449

L Housing, Shelter  
Mean 0.2275 N 8546

M Public Safety, Disaster Preparedness -  
Mean 0.3361 N 3755

N Recreation and Sports  
Mean 0.2786 N 15101

O Youth Development  
Mean 0.2243 N 6955

P Human Services, Multipurpose and Other ---  
Mean 0.2372 N 28083

Q International, Foreign Affairs ---  
Mean 0.2544 N 2421

R Civil Rights/Advocacy -  
Mean 0.2180 N 1633

S Community Improvement  
Mean 0.2438 N 9827

T Philanthropy, Voluntarism ---  
Mean 0.1206 N 377

U Science and Technology ---  
Mean 0.2821 N 897

V Social Science -  
Mean 0.2662 N 447

W Public, Society Benefit  
Mean 0.2608 N 1392

X Religion Related  
Mean 0.0963 N 39065

Y Mutual/Membership Benefit  
Mean 0.1417 N 494

filed0 = 990 filed in year of ruling or earlier  
filed\_3 = 990 filed 2 or more years prior to ruling year.

Were every newly exempted organization asked to complete a simple form 12 months after the date of the ruling, the public could obtain a confirmation that the organization was indeed exempt from filing, and minimal information on its activity. Alternatively, samples could be drawn for this follow-up. These

ideas will be elaborated in the final version of the paper and more information on filing rates will be provided.

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**Paper Number:** PA041369

**Paper Title:** Audit Quality and Charitable Organizations: An Economic Perspective

**Author(s):**

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**Summary of Research**

This study offers a comprehensive inquiry into the role of auditing as a monitoring mechanism to reduce information asymmetries between donors and charity managers, relating audit quality choice to charity-specific factors that influence charity manager's behavior and the governance mechanisms that substitute or compliment the auditor's monitoring efforts. A charity manager that chooses a higher quality auditor is hypothesized to be seeking a higher level of monitoring, and the potential benefit of engaging a quality auditor increases as the potential for moral hazard and adverse selection increases.

**Description**

The Problem or Issue to be Addressed:

□ In the absence of market prices, donors seek out and rely on other information to judge organizational value, and past studies indicate accounting-based performance measures are useful in evaluating charities. Because of the emphasis placed on these accounting ratios, managers of inefficient charities are pressured to report favorable financial performance measures to mimic efficient charities in the competition for donor resources. Lack of complete information in the charity market increases the risk of contributing, lowers the value of the organization, and influences resource allocations (Akerloff, 1970).

□ Increased observability of managers' actions through monitoring, however, reduces both the moral hazard and adverse selection problems that result from information asymmetries (Jensen and Mecklin, 1976). Donors, in making their contribution decision, prefer to have the effectiveness of the charity revealed perfectly through auditing. While regulators and charity watchdogs require many nonprofits to be audited, managers have discretion over the quality of an audit. A high quality audit reduces uncertainty and leads to greater informativeness of reported financial information (DeAngelo, 1981; Teoh and Wong, 1993).

Relation to State of Knowledge in the Field:

□ Capital market studies explain audit differentiation based on signaling incentives. For example, researchers find evidence that the choice of auditor reduces underpricing in initial public offerings (Titman and Trueman, 1986; Datar et al., 1991). Security price reactions to auditor changes and the effect of auditor type on the earnings response coefficient also reflect the impact of audit quality on the valuation of existing firms (Teoh and Wong, 1993; Baber, et al., 1995). Because market prices increase with the precision of information available to investors (Holthausen and Verrecchia, 1988), a similar reaction to the informational value of an audit is expected on donor giving decisions. The price of making a donation is a function of reported financial information, and researchers provide evidence that donors are sensitive to accounting performance measures (Weisbrod and Dominguez, 1986; Posnett and Sandler, 1989; Callen, 1994; Khumawala and Gordon, 1997; Tinkelman, 1999; and Okten and Weisbrod, 2000). A reduction in the bias of the reported performance measures, as expected with a higher quality audit, decreases donor uncertainty and expected price. Further, because auditing is used as a monitoring device to reduce moral hazard, empirical research also explains audit differentiation in the private sector based on agency costs (Simunic and Stein, 2007; Francis and Wilson, 1988; DeFond, 1992; Clarkson and Simunic, 1994).

The Approach I Take to Investigate the Demand for Auditing in Charitable Organizations:

□ I hypothesize the demand for audit quality is a function of three factors: Agency costs, organizational complexity, and substitute monitoring. In particular, because little theory exists on the role of auditing in the independent sector, I present a number of perspectives that integrate theories on monitoring, audit quality, and agency costs with characteristics of the charitable environment. In addition, organizational complexity requires a higher level of auditor technical competence, and the demand for high quality auditing may be driven by a demand for auditor efficiency and technology by more complex organizations rather than by internal agency costs. Finally, auditing is only one form of monitoring used to reduce total agency costs. It is assumed that the benefit of one method of monitoring decreases when another method is used. That is, there is a partial substitution effect among monitoring devices employed by an organization.

The Approach I take to investigate the Role of Auditing in the Market for Contributions:

□ I examine the adverse selection problem to the choice of auditor in charitable organizations by adding a proxy for audit quality to the demand for giving model developed by Weisbrod and Dominguez (1986) and extended by others. If the price of making a donation is a function of financial performance measures and the choice of auditor adds credibility to the financial report to separate the charity from those with a potential for malfeasance, a difference in the price elasticity of donations is expected for different quality auditors, analogous to a higher earnings response coefficient for publicly-traded firms. That is, I expect donors respond more favorably to increases in the program ratio reported by a charity audited by a larger firm.

#### Data Description

□ The sample is from a population of 349 organizations based on the National Charities Information Bureau (NCIB) listing of 376 organizations in the June 1997 edition of Giving Wisely. These charities solicit funds nationally, and appear on the list based on the volume of inquiries received by the NCIB (now the BBB Wise Giving Alliance). They tend to be the largest and most widely-known organizations. Requests for audit opinions for the fiscal years 1995 through 2001 were mailed to sample charities. Currently, my sample contains 202 charities with a continuous seven-year span of opinions, although I am conducting telephone requests to increase my sample. Financial data are from IRS Form 990 filings. The majority of filings are from the NCCS SOI files and the NCCS/Guidestar digitized data, although some are obtained by mail requests.

#### Potential Contribution

□ Charity researchers have not yet explored audit differentiation in the charities market based on signaling incentives, although donors face uncertainties similar to investors, and both are concerned about their investment and the future distribution of cash flows. In addition to market signaling explanations, this study offers a comprehensive inquiry into the role of auditing as a monitoring mechanism to reduce information asymmetries between donors and charity managers, relating audit quality choice to charity-specific factors that influence charity manager's behavior and the governance mechanisms that substitute or compliment the auditor's monitoring efforts.

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**Paper Number:** PA041111

**Paper Title:** Community Foundation Board Roles and Responsibilities: Insights from Self-Assessment Surveys

**Author(s):**

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### **Summary of Research**

This research fills a significant gap in the academic literature by contributing a comprehensive, empirical understanding of how community foundation boards understand and balance their complex and often competing roles as grantors, grantees, community representatives, and providers of fiduciary oversight. Based on results of board self-assessment surveys completed by board members serving on 45 different community foundations across the United States, this paper provides useful information about how community foundations board members understand their various roles and responsibilities; how enactment of those behaviors influences foundation performance; and the greatest challenges these board members face as community leaders.

### **Description**

Community foundation board members are important community leaders who face unique and complex challenges. Unlike other nonprofit and foundation board members, these individuals must oversee both grantmaking and fundraising activities. In addition, they are charged with shaping their foundation's development, responding to changing public needs, setting strategic goals, overseeing their foundation's finances, deciding on investment strategies, and fulfilling critical legal obligations. In times of economic uncertainty, rapid technological change, dwindling resources, and complex societal needs, the decisions community foundation board members make have a far-reaching impact. Moreover, with the recent flood of corporate governance scandals, there is tremendous pressure on all governing boards to demonstrate integrity, transparency, and accountability.

Community foundations boards operate in a unique, complex, and paradoxical environment where multiple constituencies hold competing expectations for performance. For example Philipp (1999) argues that, although community foundations exist to serve a broadly defined public, including the community at large and nonprofit service providers, increased competition from financial service providers, such as banks, investment companies, universities, and federated funders such as the United Way, has created the need for community foundations to specify how their services add value for donors. This suggests that the board's strategic decision-making is likely to focus on developing investment strategies that will maximize payout rates and provide flexible benefits to a financially savvy donor base, thereby shifting attention away from community responsiveness. Yet, as Joseph (1989) notes, many deplore the idea that board decision-making is accountable to community expectations only after donor interests have been satisfied. He suggests that the personal interests of both donors and community members should result in decision-making structures (boards) and processes (grant allocation and investment) that are responsive to a broad range of needs and priorities.

Leonard (1989) argues that community foundation growth and flexibility are related to the ability to balance needs among donors, recipients, and the community. She further asserts that most community foundation board decision-making processes implicitly favor one or two of these basic elements of mission, such as donor services, grantmaking, or community leadership, resulting in "disparate fundraising strategies and rates of growth," particularly when investment strategies conflict with donor service strategies or grantmaking strategies. Because community foundations enjoy what Noland refers to as a "special double trust: a promise to respect and honor thousands of generous benefactors while advancing new visions for communities" (1989: 121), it is essential that we understand how board decision-making strategies reflecting a particular mission-related orientation have the capacity to influence community capital (Leonard, 1989).

The critical topic of community foundation governance has attracted scant attention from the research

community (see for example, Carson, 1994 and Waterman-Wittstock & Williams, 1998). In this paper we report on the first stage of a larger research project that provides detailed descriptive information about the community foundation board's actual behavior and processes. The survey data were collected from 45 community foundation boards in the United States using the BoardSource Self-Assessment tool. Using this proven survey tool, board members reported on their own board's performance as well as identified the greatest challenges they faced as community foundation leaders.

The findings provide useful information on how to avoid potential problem areas, build on individual strengths, minimize the effect of individual weaknesses, and achieve results that are based on board member recommendations for enhancing overall performance. Moreover, because this research provides information about the activities actually performed by community foundation boards, the findings can also be particularly useful in improving the skills training and development programs for board members.

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**Paper Number:** PA041200

**Paper Title:** Nonprofit Board Governance: Operation, Diversity & Challenges

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**Summary of Research**

This paper explores current features of and challenges for the governance of a diverse array of nonprofit organizations in metropolitan Milwaukee, Wisconsin. Evidence is based upon a mail survey of executive directors and board of directors members conducted in late 2003, replicating a national study of nonprofit board governance being conducted by BoardSource. The paper explores features of board governance, diversity in membership, and challenges faced in effective board governance.

**Description**

In 2003, BoardSource undertook a round of its periodic national study of the governance of nonprofit organizations by boards of directors. Milwaukee agreed to collaborate with BoardSource and replicate the BoardSource study (utilizing the same mail survey data collection instruments) in the greater Milwaukee area. Mail surveys were sent to over 800 nonprofit organizations in greater Milwaukee, both to executive directors and board members. With a response rate of over 25%, a rich data source has been created with which to benchmark and explore nonprofit governance in a large, diverse metropolitan area whose central city became "majority-minority" by the 2000 U.S. Census.

This paper will explore the current structure of board governance in local nonprofits, serving as a baseline measure of features such as committee structure, board member terms of office, recruitment, board member expertise, diversity of board members in a majority-minority community, relationships with the executive director, and the challenges facing nonprofit boards (as measured by both executive director and board member perspectives). Information on challenges will be used by local capacity-building organizations to create programs that strengthen and support nonprofit boards of directors in the area of identified needs.

This paper will provide a comprehensive overview of the structure of nonprofit organization in a major metropolitan area as well as the challenges these governing boards have in sustaining strong management and operation of nonprofits in times of economic downturn and uncertainty in funding sources.

Information from Milwaukee will be contrasted with data collected at the national level to ascertain the extent to which Milwaukee mirrors or differs from national patterns.

**Paper Number:** PA041384

**Paper Title:** Trends in Board Governance: A Survey of South Carolina Nonprofits

**Author(s):**

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**Summary of Research**

This research seeks to discover the trends in board governance in South Carolina, compare these trends with best practices; and then discuss explanations/implications of the actual practices. In June 2003, a large-scale survey was conducted in order to gather information on a whole range of board governance issues. Preliminary analysis reveals that boards are not necessarily assuming the best practice roles as described in the literature. Full analysis will be completed to reveal where actual roles differ from those prescribed in the literature. Discussion will then focus on how these trends in governance impact management and operations.

**Description**

Trends in Board Governance: A Survey of South Carolina Nonprofits

The number of nonprofits in the state of South Carolina has been growing rapidly for the past ten years, in fact, faster than the nonprofit sector nationally. Rapid growth has not necessarily been "smart growth," as new organizations often start without the necessary skills to manage their resources effectively. In working with start-up organizations one issue which provokes frequent discussion, is the role of the board in a nonprofit. This research seeks to discover the trends in board governance in South Carolina, compare these trends with best practices; and then discuss explanations/implications of the actual practices.

The research on best practice suggests that boards should play a specific role in the governance of nonprofit agencies. For example, according to BoardSource (2004) nonprofits have boards to fulfil four primary purposes: legal and fiduciary, oversight, fund-raising and representation of constituencies and viewpoints. BoardSource further states that the basic responsibilities of nonprofit boards are to 1) determine the organization's mission and purpose, 2) select the chief executive, 3) provide proper financial oversight, 4) ensure adequate resources, 5) maintain accountability, 6) ensure effective organizational planning, 7) recruit and orient new board members, 8) enhance the organization's public standing, 9) determine, monitor and strengthen programs and service, and 10) support the chief executive and assess his or her performance (2004). In most cases, it is advised that the board not be active in managing day-to-day operations so that they are able to maintain a more objective perspective when it comes to making decisions. This becomes quite a challenge when the nonprofit organizations are small with few resources.

In June 2003, a large-scale survey was conducted in order to gather information on a whole range of board governance issues. Surveys were mailed to 3,935 registered non-profit organizations in the state of South Carolina. One follow-up postcard was mailed 10 days later. As part of the large survey, questions were asked regarding the ways in which their board contributes to the organization. In addition to nine specific areas, an open-ended question of other; was also provided. Respondents were requested to indicate all that applied to their agency. Information regarding the organization type, size and constituency was also collected. After removing bad addresses and those agencies that declined to participate, the return rate was close to 30%.

Over 80% of the responding agencies were registered as 501 ( c ) 3 with the largest number of respondents being in the human services category. Although the agencies varied greatly in size, ranging from 0 to almost 600 fulltime staff, more than 25% of them had an annual operating budget of less than \$24,999. Preliminary analysis reveals that boards are not necessarily assuming the best

practice roles as described in the literature. At least 20% of the boards are involved in day-to-day management; almost 30% are not involved in fundraising, more than 50% are not involved with budget preparation, only half claim to hire and evaluate the executive director and more than 60% are not involved with program evaluation. This may be due to a number of factors including the size and type of organization.

Full analysis will be completed to reveal where actual roles differ from those prescribed in the literature. Discussion will then focus on how these trends in governance impact management and operations. Examples from nonprofit training courses conducted over the last five years will be used to illustrate the implications.

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**Paper Number:** PA041403

**Paper Title:** Bridging Community Resources and Community Needs: Does Board Matter in the Community Foundation Business?

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### **Summary of Research**

Extant research stays short of establishing the link between governance practices in community foundations and organizational effectiveness in bridging community resources and community needs. This proposed study addresses this issue by exploring the conditions under which boards vary in their importance in establishing policies, setting strategic directions, and guiding fundraising and grant-making initiatives. Interviews are conducted with executives and board chairs in a sample of community foundations based on age, asset size, and region. The study improves our understanding of the actual functions of community foundation boards and the implications for organizational responsiveness and performance.

### **Description**

One of the fastest growing segments of the foundation field, the nation's over 650 community foundations play a key role in improving the quality of life in their communities. They are however a subject of controversy (Burbridge et al., 2002; Eisenberg, 1997). Some promote them as "public trusts" (Noland, 1989), and "people's philanthropy" (Garonzik, 1999) that are uniquely positioned to bridge community resources and community needs (Shakely, 1999). Diaz and Shaw (2002) recognize their entrepreneurial tendencies as potentially very responsive to changes in the community. They are pictured by others as representing established community interests, serving the expressive needs of donors, and being reluctant to respond to the most serious problems of their communities (e.g., NCRP, 1989, 1994).

Of particular interest are the governing boards of community foundations. As stewards of the public's trust and accountable for the public purposes of the organization, the board of a community foundation is regarded as an independent governing body that should be "broadly representative of the community it serves" and responsible for the mission, direction and policies of the foundation. (Council on Foundations, 2002; see also Bothwell, 1989; IRS Regulations 1.17A-9(e)(3)(v); NCRP, 1989). Extant research, however, stays short of establishing the link between the structure and processes of community foundation boards and the effectiveness of community foundations in bridging community resources and community needs.

This proposed study intends to address the above issue by exploring governance practices in community foundations. In particular, this study examines the conditions under which boards vary in their relative importance in establishing policies, setting strategic directions, and guiding fundraising and grant-making initiatives. Combining agency theory, resource dependence theory, and institutional theory, we address the following questions: What are the effects of donor-advised funds, asset size, age, region, and the adoption of industry standards on the variation in boards' roles in establishing policies, setting strategic directions, and guiding fundraising and grant-making initiatives? What other factors might influence the way in which boards contribute to the performance of community foundations?

Interviews will be conducted with executives and board chairs in a sample of community foundations based on age, asset size, and region. We anticipate conducting 50-65 interviews with 30-40 different institutions during the Spring and Summer of 2004. Interviews will cover board structure and processes, board-executive interactions, as well as strengths and weaknesses of community foundation boards in garnering and distributing community resources. Interviews will be transcribed and content analyzed to reveal themes and patterns in governance practices. The study will improve

our understanding of ways that community foundation boards contribute to organizational effectiveness in bridging the resources and needs in their communities and inform future research on this subject.

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**Paper Number:** PA041121

**Paper Title:** How do Non-Governmental Organizations (NGOs) internationalise?

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**Summary of Research**

Commercial companies and non-governmental organisations (NGOs) are internationalising at an increasing pace. Yet little is known about what influences NGOs to operate in different countries, and how they manage this process. Indeed, research on the internationalisation of NGOs has been neglected in comparison to the large and growing literature on companies. This paper considers how theories of company internationalisation can be usefully extended to help understand the internationalisation of NGOs. Drawing on a survey and cases study research it considers the 'driving forces' that influence the internationalisation of NGOs, and the stages they pass through in the process.

**Description**

Non-governmental organisations (NGOs) have been developing international operations at an increasing pace, although in comparison to businesses this growth had been relatively recent. Anheier (2002) points to a surge in growth of international NGOs operating in many countries since the 1990s linked to a growth in information technology and funds available. During this time, governments and funding bodies greatly increased the flow of development funds through international NGOs. For example, in 1980 about US\$4.7 billion was transferred to Latin America, Africa, and South Asia from industrial nations through non-governmental channels. By 1999 this had increased to \$6.5 billion (Greensmith, 2002). This represents a significant shift in resources away from government programmes towards NGOs, which are increasingly seen as important agents in the process of development. Yet little is known about how NGOs have managed this process of growth and internationalisation. Indeed, research on how NGOs internationalise has been very much neglected in comparison to the large and growing literature on the internationalisation of companies.

The aim of the research reported in this paper was to begin to fill this gap in knowledge, and examine what factors influence the decisions and processes by which NGOs internationalise. Given the paucity of existing theory on the internationalisation of NGOs the research drew upon two important theories on company internationalisation, namely Yip's (1995) theory of drivers, which sets out various environmental factors that drive internationalisation, and Ohmae's (1994) stage theory, which sets out various stages company go through as they internationalise. However, in doing so we were mindful of the fact that there are important differences as well as similarities between NGOs and companies, and that aspects of these theories would need to be adapted for NGOs (Lewis, 2002).

The research used a combination of survey research and cases studies. A postal survey was undertaken of international NGOs in Europe and the US, which gathered information on the drivers of internationalisation, the stages of internationalisation and how this process was financed. In addition four case studies of NGOs were undertaken in order to throw more light on the process and speed of internationalisation. Two relatively small NGOs, which have internationalised slowly, were compared with two larger NGOs that had internationalised more quickly.

We suggest that any theory of drivers for NGO's is more complex than proposed by Yip. Analysis showed that for NGOs some, but by no means all, drivers were perceived as highly influential, and there was a lot of diversity in which drivers were important for particular NGOs. Only one driver was perceived as highly influential in most cases - "meeting of needs overseas", which reflects the mission of most international NGOs.

The analysis suggests it may be useful to distinguish between three types of drivers, those that provide the necessary conditions to operate in a country, those that facilitate operating overseas and 'genuine' drivers. The necessary conditions include: the political consideration that entry is allowed, for example, Amnesty International was only permitted to set up a branch in Russia after 1985; that sufficient funds were available to finance the expansion and that internal policy permitted this activity. The findings also strongly suggest that certain drivers act more to facilitate the process than drive decisions. This was often the case with technology drivers where the ease of communication, transfer of knowledge and use of e-mail all facilitated international development. Similarly, the ease of linking with overseas partners, and the formation of commercial partnerships globally, helped to make the process of internationalisation easier.

There was qualified support for the proposition that international NGOs follow similar stages in their development to those proposed for companies by Ohmae. It is usual, however, for NGOs to pass through only a few of the possible stages (nearly half had passed through only two of these stages). Occasionally stages are jumped and sometimes organisations revert to an earlier stage. NGOs however, in common with firms, rarely complete the full five stages. This and other qualifications to the theory largely mirror those suggested by empirical research on businesses (Reich, 1991; McKiernan, 1992 and Craig, 1996).

Finally, the paper outlines two important directions for further research. First it recommends that more research needs to be done to see how contextual factors influence internationalisation, and in particular if different patterns of drivers influence different types of NGOs. Second, in-depth case studies are required to examine in more detail the processes of internationalisation, and uncover the factors that influence the strategies employed.

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**Paper Number:** PA041225

**Paper Title:** Times of slow change: Structural contradictions in rapidly changing environments

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**Summary of Research**

Searching for successful management practices, this paper presents results from a longitudinal case study in a Swiss nonprofit organization. It investigates integration processes of not-for-profit mission and business oriented values, assesses the long-term impact of structure principles and proposes options for strategizing in such a context. Our findings are based on a research framework developed from Giddens' theory of structuration in order to systematically analyze the role of "structure principles" in nonprofit organizations' strategizing processes.

**Description**

Introduction

This paper argues that nonprofit organizations transform the impact of a market-oriented rationality into a structure principle. As market-oriented thinking becomes increasingly important (e. g. Hammack & Young, 1993), nonprofit organizations are fundamentally affected by two conflicting principles: a traditional, not-for-profit principle and a market-oriented principle. As this tension is expressed in each strategizing process the challenge for practitioners is to coordinate their initiatives in this conflicting context. Searching for successful management practices, this paper follows three goals: First, empirical results from a longitudinal case study in a Swiss nonprofit organization are presented. By analyzing strategizing processes, we empirically investigate integration processes of not-for-profit mission and business oriented values. Second, the paper assesses the long-term impact of structure principles and proposes options for strategizing in such a context. Third, by referring to micro practices in recent discussions in traditional strategy literature, it develops a research framework based on Giddens' theory of structuration in order to systematically analyze the role of "structure principles" in nonprofit organizations' strategizing processes.

"Structure principles" are defined as social phenomena most widely embedded in space and time, thereby stabilizing organizational processes (Giddens, 1984). They differ from "structures" (rules and resources) and "routines" which are less embedded in space and time (Giddens, 1984). The concept displays similarities to the notions of organizational culture (Schein, 1985), identity (Albert & Whetten 1985), or organizational logic (Rüegg-Stürm, 1999) and provides a means to describe organizational structures which are difficult to observe for humans. Structure principles are deeply embedded in organizational processes, and are therefore rooted in the past and "pre-structure" (Giddens, 1984) the long-term direction of organizations. We choose the sociological concept of structure principles because it allows for analyzing strategizing routines which form the focus of our research. According to Giddens, routines are the key to an organization (Giddens, 1984).

Strategic shifts in nonprofits

During the past two decades, many nonprofit organizations have diversified their revenues into activities unrelated to their original not-for-profit mission (Weisbrod, 1998; Young, 1998) because traditional funding sources have become scarce (e. g. Hodgkinson & Weitzman, 1986, 1988; Boris, 1998) and conventional fields of activity have been challenged by commercialization and subsequent competition from private sector companies (Adams & Perlmutter, 1991; Tuckman, 1998). These strategic shifts have exposed nonprofit organizations to a market-oriented rationality and blurred the lines between nonprofit and for-profit behaviors (for a review, see Ferris & Graddy, 1999; Hammack & Young, 1993). The increasing relevance of a market-oriented rationality in nonprofit organizations was shown to transform structure principles. In particular, tensions between not-for-profit and marketplace

values were identified (e. g. Hammack & Young, 1993). As a consequence, research has pointed towards the management of implicit (latent) contradictions as a major challenge for nonprofit organizations (e. g. Bush, 1992; Kramer, 1985; Weisbrod, 1997, 1998; Froelich, 1999; Hansmann, 1989; Hodgkinson, 1989; Powell & Owen-Smith, 1998; Salamon, 1989). Nevertheless, few studies have investigated how strategizing processes, defined as social process between strategists' actions and organizational structure (Giddens, 1984), handle latent contradictions and what options for managing in the context of these tensions are possible. We argue that many strategizing activities deal with these conflicts, often implicitly because routines (Giddens, 1984) are touched. Moreover, many existing studies lack a processual perspective in their analysis. We assume that organizations are dynamic in nature (Weick 1979), socially constructed and created by human agents through their decisions and actions (Berger and Luckmann, 1966; Holzner, 1972; Pettigrew, 1992; Searle, 1995; Watzlawick, 1984). Therefore, our research explores how strategic routines are generated, reproduced, made explicit, balanced, transformed and recursively shaped by the interplay of mission and market oriented values. In particular, we investigate the detailed processes, micro-activities, and day-to-day practices (Johnson, Melin & Whittington, 2003) associated with strategic change in nonprofit organizations. We finally derive practical implications for strategists.

#### Micro strategizing and Structuration Theory

Recently, traditional strategy research has shed light on the impact of micro practices on the long-term-direction of organizations. Johnson, Melin and Whittington (2003) argued for "... an emphasis on the detailed processes and practices which constitute the day-to-day activities of organizational life and which relate to strategic outcomes". This paper connects research on micro practices with nonprofit research by analyzing strategizing routines and referring to the concept of "structure principles" (Giddens, 1984).

Structuration theory in general and the notion of "structure principles" in particular provide a promising avenue for analyzing strategizing practices in nonprofit organizations as they provide a language to describe social phenomena which are difficult to access. However, few authors "... provide clues as to how this might be researched empirically" (Johnson, Smith and Codling 2003). Therefore, this paper starts by developing a research framework for analyzing "structure principles" in nonprofit organizations differentiating between "strategizing episodes", "strategizing interactions", "strategizing structures", "strategizing routines" and "structure principles". We start from the assumption that nonprofit organizations are characterized by a few principles, some structures in the sense of rules and resources and many routines in the sense of patterns of interactions. Consequently, structure principles are "immanent" (Chia, 2003) in any interaction. The research challenge is to interpret selected interactions with respect to structure principles and to develop options and limitations for managing strategizing processes.

#### Methodology

We conduct a longitudinal single case study in an organization called Swissgroup. This design enables an in-depth analysis of complex phenomena such as strategy processes (Yin, 1984). Swissgroup is a retail bank in Switzerland and fits to our questions because it is an extreme example (Pettigrew, 1990) of a market oriented nonprofit organization suggesting that we are able to derive particularly acrimonious findings and gain heuristically valuable insights. On the one hand, the organization's history is deeply rooted in nonprofit values as it was founded as a mutual, cooperative self-help organization for impoverished farmers at the end of the nineteenth century. On the other hand, Swissgroup is a highly successful competitor in the Swiss financial services industry. It recently faces severe competitive pressures from private, capital-market oriented corporations and is thus confronted with having to manage arising tensions between traditional not-for-profit and marketplace values. Our analysis is based on fieldwork conducted from October 2002 to December 2004. To ensure data quality we follow several avenues of data collection: semi-structured interviews, participant observation, and archival analysis. Since January, 2003, 21 semi-structured interviews have been conducted and transcribed. In addition, we have collected data from formal and informal encounters such as inter-organizational meetings and conferences, lunches, dinners, and hallway discussions. Observations were recorded in field notes and typewritten into protocol format. Finally, archival sources such as external and internal publications, memos, and transparencies have been systematically collected and

analyzed. Participant observations (e. g. meetings, conferences, informal encounters) and archival data help us to increase the contextual and processual plausibility of the interview data. Our research follows a grounded-theory approach (Glaser & Strauss, 1967) to enable an in-depth analysis of strategic processes. Analyzing longitudinal data, we pay particular attention to mutual sense-making activities unfolding over time in context (Pettigrew, 1997). In particular, we categorize types of different interactions such as team meetings and interview accounts into similar codes, and examine grouped data for patterns of meaning and behavior across several strategic initiatives (Glaser & Strauss, 1967). Our ultimate goals are to get as close as possible to organizational processes and to interpret them based on the internal understanding gained from interpretations and meanings provided by the organization. Pursuing this approach, we aim at helping practitioners who face similar challenges to transfer our findings into their own context, thus supporting them to overcome potential barriers when involved with strategy making processes in nonprofit organizations. As it is typical with this kind of research, we circle back and forth between empirical data and concepts (Golden-Biddle, 1997). Moreover, key informants in Swissgroup continuously review the case study progress to increase the plausibility, relevance, and meaningfulness of our findings.

#### Contributions to theory and practice

Given Swissgroup's long-time exposure to market forces, it is particularly well suited to serve as a role model for other nonprofit organizations facing similar challenges. Moreover, the impact of market pressures on non-profit organizations is an international phenomenon. An exploratory case study in Switzerland may generate valuable insights for strategic management and transformation processes of nonprofit organizations in other countries as well. Our research contributes to theory by enriching the field of nonprofit management research. In particular, we link nonprofit with strategic management research and Giddens' theory of structuration, develop a research framework to describe social phenomena which are difficult to observe and thereby help to broaden the disciplinary base of nonprofit scholarship.

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**Paper Number:** PA041311

**Paper Title:** Identifying factors for success: A case study of a Southern Baptist church

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**Summary of Research**

This research will develop an in-depth case study of a highly successful church as measured by growth in attendance and receipts, then to use the information gathered in the case study to identify factors for success that contributed to the growth. The research will look at a large Southern Baptist church where average worship attendance has grown from 651 in 1987 to 5850 in 2003, a 799% increase, and receipts have grown from \$870,742 in 1987 to \$15,152,929 in 2003, or 1640%. Multiple sources of evidence will be used in order to provide a well rounded view of the organization.

**Description**

Purpose of the Research

□The purpose of this research is to develop an in-depth case study of a highly successful church as measured by growth in attendance and receipts, then to use the information gathered in the case study to identify success factors for the growth. A review of both business and church growth literature will provide background information about factors that could contribute to the success of an organization.

Brief Literature Review

Churches, though they are non-profit entities, have much in common with for profit entities. According to Peter Drucker “The differences between managing a chain of retail shops and managing a Roman Catholic diocese are amazingly fewer than either retail executives or bishops realize. The differences are mainly in application rather than in principles” (1998, 154). Thus, one must search both the business growth literature and the church growth literature to gain an understanding of what contributes to a church’s growth.

Business/Management Literature

The range of business literature that deals with growth is extensive. To narrow the field, this study focuses on small business models, since the study looks at a single church, not an entire denomination, and by business standards even the most robust church would be considered a small business.

Many small business growth models look at the stages that a small business goes through and the models attempt to identify milestones in the development of the organization. Steinmetz (1969) divided small business growth into four stages: direct supervision, supervised supervisor, indirect control and divisional organization while Churchill (1983) identified five stages: existence, survival, success, take-off, and resource maturity.

While Steinmetz and Churchill identify specific steps in the growth of a small business, Clifford (1973) looks only at what hurdles a business must deal with when it transitions from a small to a big business. He labels companies in this process as threshold companies and states that they “must pass through a management metamorphosis; its top management must effect a transition from the simplicity of the entrepreneurial enterprise to the formality and sophistication of the giant” (Clifford 1973, 143). Clifford divides the hurdles into two groups, economic and management. Economic hurdles include growth potential and downside risk, profit margins, and financial sensitivity. Management hurdles include product/market complexity, new skills, new structures and processes, people issues, and the changing role of the Chief Executive Officer.

As a complement to Clifford’s work, Barringer, Jones and Lewis (1998) look at Clifford’s management hurdle of people issues and identify one component of this issue as the entrepreneurial or managerial capacity problem. The managerial capacity problem deals with how firms are constrained in their growth by how fast they can increase their managerial capacity. Managerial capacity impacts the firm’s ability to train new employees and to build administrative structures for the firms increased size

(Barringer, Jones, and Lewis 1998).

#### Church Literature

□ While the body of church growth literature is much smaller than the body of business growth literature, it provides some interesting insights into church growth. One study found that church growth is closely correlated with the inputs of time and money using attendance and contributions used as proxies for time and money (Iannacone, Olson, and Stark, 1995). Kelley proposed that conservative churches were successful because of “their ability to attract and retain an active and committed membership” (1986, 1180). A more recent study found that churches with above average levels of professional management also had significantly higher levels of growth in receipts, and though not statistically significant, higher average levels of attendance growth than churches with lower than average levels of professional management (Okrepkie, 2001). All of this work provides relevant insight into church growth success factors.

#### Approach

□ This research will look at a large Southern Baptist church located in Georgia. Average worship attendance has grown from 651 in 1987 to 5850 in 2003, a 799% increase, and receipts have grown from \$870,742 in 1987 to \$15,152,929 in 2003, or 1640%. The case study data collection will include:

- Reviewing the church’s history (over 100 years), focusing on 1987 to present
- Reviewing church documents such as the constitution and council minutes
- Conducting interviews, focus discussions, and other face-to-face meetings
- Conducting a survey to collect specific information and to validate information already collected.

This approach to research provides multiple sources of evidence thereby supporting triangulation and addressing some of the challenges of construct validity (Yin, 1994).

□ Background research has already begun and on-site visits are scheduled for May/June with completion in July.

#### Contribution

Identifying success factors for growth in a non-profit organization can provide insight into growth in any organization. While the majority of research is conducted in for profit organizations, as researchers we must not neglect the fertile field of non-profit organizations and what we can learn from studying them

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