

ATHLETIC GIVING AND ACADEMIC GIVING: EXAMINING THE VALUE OF SPLIT DONORS TO EDUCATIONAL INSTITUTIONS

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ABSTRACT

A recent report issued by the Commission on the Future of Higher Education noted the decline in state support as a large reason for the increased attention paid to private support of colleges and universities. Both the American Council on Education and the Council for Aid to Education have noted that private support cannot itself replace state support for public universities (Chronicle of Higher Education 2006). Many factors prevent the widespread use of private contributions to offset increased expenditures and/or declining state support. First, the growth in private support is not equally distributed. The top ten institutions in fundraising (only two of which are public) account for over 50% of the growth in donations (Strout 2007). Further, the growth is driven primarily by increases in average gift size as opposed to increases in the number of donors making gifts. Finally, many donors direct or restrict their gifts for use by certain programs, making it difficult to use the increased support to offset many increased operating expenditures (Strout 2007). The increased prevalence of athletic fundraising provides one such example. In some cases, all or a substantial portion of an institution's growth in private support is being directed to the school's athletics programs (Stinson and Howard 2007). Together, these factors place increased pressure on institutional fundraisers to maximize the financial support provided by donors. A 2004 study of donors at the University of Oregon identified that SPLIT donors (donors giving to both Athletic and Academic programs) made larger gifts to the institution than their counterparts supporting only athletic or academic programs. The purpose of this paper is to examine the value of SPLIT donors to the institution in more detail.

Considering giving patterns through exchange theory provides meaningful insight into the giving behavior of donors. Donors making gifts to athletic programs appear only to be motivated by commercial benefits, whether tangible or social. These donors may be similar to Patrons (Barnes and McCarville 2005) and use "consumption philanthropy" (Schervish 1997). Donors to academic programs do not often receive the same tangible benefit in exchange for their gifts. As a result, the exchange is predicated on receiving social or psychic value more consistent with Philanthropists (Barnes and McCarville 2005) and "adoption philanthropy" (Schervish 1997). While the donors to each of these respective programs might have their giving easily explained by the frameworks offered above, more interesting are the donors making gifts to both athletic and academic programs. These donors, especially if their decisions to support each program are independent, may be making gifts in exchange for both commercial and philanthropic benefits. Given their value to the institution, understanding the giving patterns and giving motives of SPLIT donors is critical.

This study combined empirical analysis of detailed giving records of over 15,000 donors to three selected institutions and face-to-face interviews with 60 of those donors in an effort to better understand the value and decision-making processes of SPLIT donors. On average, SPLIT donors both make larger gifts and are retained at higher rates than athletic only and academic only donors at each of the three institutions. Thus, SPLIT donors have potentially greater lifetime value to the institution than the other donor groups. However, the institutions studied are not very successful in cultivating SPLIT donors; only about 2% of athletic donors will become SPLIT donors in any given year (by making an academic gift). Qualitative data suggests that institutions could cross-cultivate athletic only donors more aggressively to develop SPLIT donors. However, analyses of gift pattern changes as a donor transitions from an athletic only donor to a SPLIT donor show that while the donor's total gift increases substantially and significantly in their first year as a SPLIT donor, the amount donated to athletic programs is moderately reduced. Thus, while there is an institutional incentive to cultivate SPLIT donors, athletic fundraisers appear to have little incentive to encourage athletic only donors to make academic gifts.

Exchange theory offers a plausible explanation for why SPLIT donors support institutions to a greater degree than other donors. Future research should explicitly examine whether offering both commercial and philanthropic benefits results in larger gifts than offering only one or the other set of gift incentives. Factors leading a donor to make the transition from athletic only to SPLIT donor also need to be studied. Research should also explore the role of the institutional fundraising organization and incentives in cultivating SPLIT donors. The data here suggests there is an institutional incentive to develop SPLIT donors (larger gifts and higher retention rates), but there is a disincentive for athletic programs to cross-cultivate their donors.

References Available Upon Request.