Literature Review

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ANGELA M. EIKENBERRY (2008). 'FUNDRAISING IN THE NEW PHILANTHROPY ENVIRONMENT: THE BENEFITS AND CHALLENGES OF WORKING WITH GIVING CIRCLES.' *NONPROFIT MANAGEMENT AND LEADERSHIP*, 19, 2, PP. 141–152

What Eikenberry and other scholars call the 'new philanthropy' is characterized by more donor involvement, innovative approaches to giving and involvement by a more diverse group of individuals who want to be engaged in their communities. Donor-advised funds, venture philanthropy and giving circles are all examples of 'new philanthropy' approaches.

Giving circles are composed of groups of people who pool resources and then choose recipients for their philanthropy. Membership also provides opportunities for donor education and may require volunteer engagement with recipient nonprofit

organizations. Although the exact number of giving circles in operation is unknown, over 400 have been identified in the United States.

Participants represent all gender, age and racial demographics.

Research on the new philanthropy has focused primarily on the wealthy and has largely ignored the impact on nonprofit organizations. The goal of this study was to begin to look at the consequences of working with giving circles and the impressions nonprofit organizations have of these donor groups. Eikenberry conducted interviews with nonprofit professionals from 17 organizations.

Benefits of giving circle alliances

The nonprofit professionals indicate that, of course, they like the financial support of giving circles. Some find that the process is often easier and more informal than working with more traditional funders. However, some of the side benefits are at least as important – giving circle member volunteers, new contacts, enhanced reputation and access to new donors. Some participant volunteers continue beyond the original commitment and

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some make financial contributions beyond the giving circle. The nonprofit organizations also like the opportunity to work with giving circle members and educate them about their organization's needs and how they operate.

Challenges of working with giving circles

Many of the negatives cited result from nonprofit needs not matching the needs of giving circle members. Interviewees report that sometimes the secondary benefits are not present. In some cases, the giving circle does not want to be approached by the nonprofit organization. Sometimes individual members are not available or approachable for cultivation. The volunteer requirement for some giving circle participants is not always a positive situation for the recipient organization because finding opportunities for volunteers creates work and cost for the nonprofit. Also, giving circles – due to their informal nature – sometimes change their focus and procedures rather fluidly, causing problems for organizations that are trying to qualify for funding.

The culture of giving circles creates additional challenges. Giving circle funding tends to be short term, making it a supplement rather than a staple for nonprofits. Giving circles look for organizations to fund rather than accepting applications or proposals, making it necessary for nonprofits to make themselves visible. Some of the professionals interviewed have joined giving circles in order to enhance their own organization's visibility.

Implications of new philanthropy

Experiences with giving circles are mixed but lean toward the positive.

Nonprofit organizations are looking for open, flexible relationships with giving circles, where the emphasis is to help the nonprofit meet its needs rather than the giving circle dictating what it thinks the nonprofit needs. Organizations are grateful for the funding, but some feel that the relationship with the giving circle could be better, particularly in the area of secondary benefits.

The goals of giving circles and nonprofit organizations may conflict. Giving circles want to educate their members. To do that, they may need their recipients to give up some internal control. On the other hand, giving circles need to focus on the competition of meeting the needs of their recipients as opposed to their own needs.

These conflicts are not specific to giving circles. In an era when philanthropy is being called upon to meet needs that have been formerly met with government funding, the new philanthropy tends to focus on the aspirations of donors instead of the community needs that nonprofit organizations exist to serve.

**JESSICA A. HOLMES,
JAMES A. MEDITZ AND
PAUL M. SOMMERS (2008).
'ATHLETICS AND ALUMNI
GIVING: EVIDENCE FROM A
HIGHLY SELECTIVE LIBERAL
ARTS COLLEGE.' JOURNAL
OF SPORTS ECONOMICS,
9, 5, PP. 538–552**

Researchers have not reached a consensus on the relationship between participation in athletics and alumni giving. There are numerous theories about why former athletes would become more generous alumni, such as

strong ties forged between athletes and institutions or that former athletes are simply asked more often. The few studies that have been done show a positive correlation between sports and giving.

This study examines alumni giving at Middlebury College, an elite liberal arts college that participates in Division III. The microanalysis, which utilizes data from 1990 to 2004 for 22,000 alumni, is more extensive than prior studies. In particular, the authors examine the impact of participation in sports or of a winning season in a sport. Emphasis is put on men's hockey and football, which are high profile sports at Middlebury.

In addition to annual giving figures (1990–2004) for 22,641 active alumni (95 per cent), the authors were also able to collect both demographic and other alumni information from the college records. These include class year, gender, marital status, occupational information, undergraduate major, financial aid received and extracurricular activities that alumni participated in (fraternities, sororities, affinity groups, academic and arts clubs, campus leadership, fund-raising and sports participation). A two-part analysis includes a probit framework to determine how likely a contribution is in a given year and a tobit framework to determine levels of generosity.

For both hockey and football, data are gathered on whether or not a league or national title was won in a given year and the percentage of games won for each year. Why would winning affect giving? One theory is that publicity generates spirit and positive public relations that in turn generate additional alumni giving.

Another school of thought is that too much attention to athletics is annoying to alumni, resulting in lower contributions. Winning seasons attract bigger crowds, providing, fund-raisers more contact time with alumni. Also, benefits associated with fund-raising might be more desired during winning seasons, thereby encouraging gifts.

Results

The analysis of likelihood of making a gift and generosity among alumni who had participated in sports shows that:

- Former athletes are more likely to give than alumni who did not participate in sports.
- Alumni who participated in leadership and fund-raising as undergraduates are more likely to give and make more generous gifts than former athletes.
- Alumni who belonged to fraternities, sororities or affinity groups are less likely to give and will give smaller gifts than former athletes.
- Male and female athletes have the same likelihood of making a gift; differences in anticipated generosity are also not significant.
- Younger athletes are more likely to give and will give more generously than older athletes.
- Former hockey players and other athletes are more likely to give and will give in larger amounts than football players.

A winning or championship season has effects on both likelihood and amount of giving. For football, a winning season or championship both indicate lower likelihood of giving and smaller gifts. A winning season or

championship in hockey is associated with both higher rates of giving and larger gifts. This is especially true for younger alumni. Older alumni are more likely to give or make a larger gift after a winning football season. Proximity to campus is also associated with higher rates of giving and larger gifts in winning hockey seasons.

Analysis of factors across the entire population of alumni predict giving behavior that is consistent with other studies:

- Men are less likely to give and give less than females;
- Older alumni are more likely to give and give in greater amounts;
- Married alumni give more often and in greater amounts than single alumni;
- Alumni with close relatives who are also alumni give more often and more generously than those without family ties.

Conclusions

Some predictions can be made for alumni donors of Division III schools. Former athletes are more likely to contribute than alumni who did not participate in sports. Within alumni who participated in sports, the older cohort is likely to give less often and in smaller amounts than younger alumni. Former football players will be less generous than hockey players and other athletes. A winning season in hockey is associated with more frequent and larger gifts. This is particularly true among younger alumni and those who live close enough to attend games. Conversely, a winning football season is associated with less frequent and lower levels of

giving. This finding in particular may be specific for Division III schools.

GEORG KRÜCKEN, FRANK MEIER AND ANDRE MÜLLER (2009), 'LINKAGES TO THE CIVIL SOCIETY AS "LEISURE TIME ACTIVITIES"? EXPERIENCES AT A GERMAN UNIVERSITY.' *SCIENCE AND PUBLIC POLICY*, 36, 2, PP. 139–144

This case study of a German university focuses on the role of the university in community service and economic partnerships. Service in this context is referred to as the university's 'third mission.' The university was founded in 1969 and has traditionally had a strong culture of supporting interdisciplinary research. Involvement in the community includes technology transfer, continuing education, regional development, science forums, public health and pupil-related initiatives.

The authors utilize a mixed methodology of semistructured interviews with professors, the university president and others involved in community activities. Document analysis provides information about university mission and related community projects. Finally, a bibliometric study of articles jointly authored by academics and community officials provides insights 'into the extent and patterns of the interaction between academic scientists, industry, civil society and policy-makers' (p. 139).

Evidence gathered indicates that service has not emerged as a strong third arm of research and teaching. Rewards for involvement in these activities are essentially limited to the

research funding provided by industry. One interviewee referred to participation in community service and partnerships as 'leisure time activities' (p. 140).

Technology transfer is a relatively new goal for the institution and is not rooted in tradition. In general, the needs of the region are not a good match with the institution's technology strengths. In addition, student unrest at the time of the university's founding has had a long-term effect on community relations.

A bibliometric analysis of publications in 1980, 1985, 1990, 1995 and 2000 shows a below average number of publications with industry when compared to institutions in the same German state. More than half of existing copublications are with partners from outside of Germany. Only one is within the region.

Although the institution has a designated office and officer for technology transfer, most activity is initiated by ties between individual professors and industry. Faculty interviewees indicate that the office is not useful. This finding is not particular to this research but has been documented elsewhere.

The other five areas of community involvement are poorly documented as they are not centrally monitored by the institution. Those discussed are representative of a wide range of decentralized programs.

Although continuing education is part of the university's mission, it is not institutionalized at the administrative level. Some programs are planned and carried out at the institutional level, whereas others are managed by individual professors.

They range from one-time opportunities to full courses of study. Overall, the level of engagement is low. There are no incentives for planning programs and little profit is generated for the academic departments. In addition, teaching effort for continuing education is not included in faculty teaching load.

A specific regional development project is described. The initiative is affiliated with the Department of Economics and is supported by joint funding from the university and local government. It utilizes a substantial volunteer labor force. Ten topic task forces composed of 100 volunteers from the university, local government and community agencies work on 'a variety of very heterogeneous projects that are in some way related to the region and regional development' (p. 141). The reports generated are used in regional decision making. The participation of high-ranking decision-makers is critical to the success of the initiative. One benefit to the university is that it demonstrates that the university has something of value to bring to the region. The political and community partners benefit from the sense that potentially controversial topics are dealt with in a neutral and unbiased forum. Participants are aware of how important the perception of lack of bias is to the initiative.

The general public is the primary audience of the open science forum, but faculty and students can also participate. The organizers have worked together since the inception of the program, but are open to input and ideas from their audiences. The forum consists of a lecture series on a

topic of broad interest during each semester.

The Department of Public Health, which was formed in 1994, has always had a close association with regional health organizations. As the department grew, centralized coordination between practitioners and researchers became more difficult. To alleviate the situation, an agency was formed to interface with practitioners. The agency does not have monetary support and overall university support is lacking despite the fact that practitioner relationships are essential to research in this area. Participation remains largely voluntary.

The audience for pupil-related initiatives is primary and secondary students. An official university office manages some programs – particularly the bridge to higher education. Others, such as the children's lab – which provides opportunities for student experimentation in chemistry, physics, and mathematics – are funded by agencies outside the university but are primarily run by faculty members who volunteer their time on an overload basis. Overall coordination for these types of initiatives is lacking and there is little interest in trying to institute coordination. The idea is to have a network of resources that can respond to a variety of needs.

Third mission activities can only be understood in terms of the social, political and economic environments in which they operate. In this case, the university shows progress in this area through their emphasis on science and technology, mechanisms for technology transfer, publication with partners in industry, partnerships with the region

and outreach to primary and secondary students.

These activities are not centralized at the institutional level but grow from grass roots departments. Like research and teaching, service activities depend on the intrinsic motivations and personal ties of individuals. Instead of adding service to strategic planning initiatives, the institution would do better to find ways to support the emergence of these grass roots efforts.

The university and the community remain distinct spheres. In this case, the flow of expertise and the reliance on science flows from the university to the community. Service activities have only nominal effects on research and teaching.

The conflict between traditional activities and additional university missions will grow. Although universities expand their formal missions, the focus of individual academics is becoming narrower and more focused on activities that will lead to publications and outside funding. In this case, older academics, who came into their careers at a time when public affairs involvement was valued and rewarded, are more likely to be willing to be involved in community and civic initiatives. As technology transfer does typically lead to publication and funding, it is less likely to be seen as a professional distraction than other service activities. However, motivation is more based in competition for funding than for other more altruistic reasons.

The entire March 2009 issue of *Science and Public Policy* is devoted to the topic of 'third mission.'

OTHER RECENT RESEARCH OF NOTE:

HOLMES, JESSICA (2009). 'PRESTIGE, CHARITABLE DEDUCTIONS AND OTHER DETERMINANTS OF ALUMNI GIVING: EVIDENCE FROM A HIGHLY SELECTIVE LIBERAL ARTS COLLEGE.' *ECONOMICS OF EDUCATION REVIEW*, 28, PP. 18–28.

Using the alumni records of Middlebury College, Holmes looks at a range of factors that influence the likelihood and amount of alumni giving. Among the factors that positively influence giving are wealth in conjunction with a state tax deduction, successful athletic teams, declines in institutional academic prestige and gender. The data and methodology are described in the article that summarized above ('Athletics and alumni giving: Evidence from a highly selective liberal arts college.' *Journal of Sports Economics*, 9, 5, 538–552).

HUFTON, DAME OLWEN (2008). 'FAITH, HOPE AND MONEY: THE JESUITS AND THE GENESIS OF FUNDRAISING FOR EDUCATION, 1550–1650.' *HISTORICAL RESEARCH*, 81, 214, PP. 585–609.

Hufton examines the funding of institutions founded by the Society of Jesus. Since tuition was not charged to students or parents, many familiar fund-raising practices were instituted by the mendicant order, including cultivation of friends, 'marketing' publications and emphasis of successes. Discussion of female patrons and donors may be of particular interest.

MEER, JONATHAN AND HARVEY S. ROSEN (2009). 'ALTRUISM AND THE CHILD CYCLE OF ALUMNI DONATIONS.' *AMERICAN ECONOMIC JOURNAL: ECONOMIC POLICY*, 1, 1, PP. 258–286.

The study tests the theory that alumni donations to higher education are driven in part by the belief that children have a greater chance of admission if parent alumni make contributions. Using the entire alumni database of one university, the authors extract giving data from 1983 to 2006. The results support the conclusion that alumni donations are driven in part by altruism but also with the expectation of reciprocal benefits.

PAVIČIĆ, JURICA, NIKŠA ALFIREVIĆ AND ZORAN MIHANOVIC (2009). 'MARKET ORIENTATION IN MANAGING RELATIONSHIPS WITH MULTIPLE CONSTITUENCIES OF CROATIAN HIGHER EDUCATION.' *HIGHER EDUCATION* 57, PP. 191–207.

The purpose is to test the market orientation of Croatian public higher education to various stakeholder groups – students, potential students, the business sector, government, parents, faculty and competing institutions. Data are gathered through a survey sent to 87 institutions. The authors find that market orientation is distinctly lacking but also find evidence that targeting of specific stakeholder groups could have a beneficial effect overall.