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Characteristics of two-year public colleges and foundations with successful fund raising programs.

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**CHARACTERISTICS OF TWO-YEAR PUBLIC COLLEGES AND FOUNDATIONS
WITH
SUCCESSFUL FUND RAISING PROGRAMS**

A Dissertation Presented

by

ELAINE B. IRONFIELD

Submitted to the Graduate School of the
University of Massachusetts in partial fulfillment
of the requirements for the degree of

DOCTOR OF EDUCATION

September 1991

Department of Education

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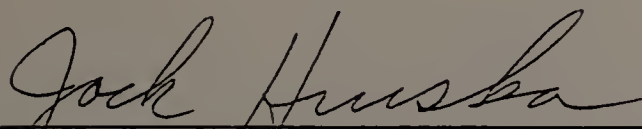
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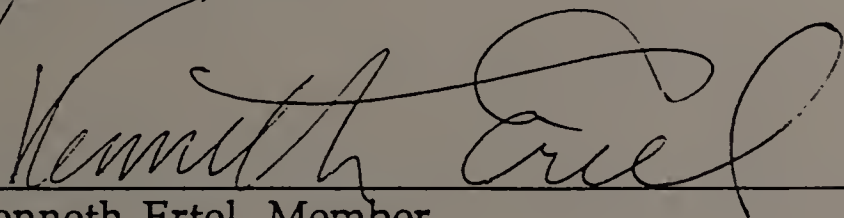
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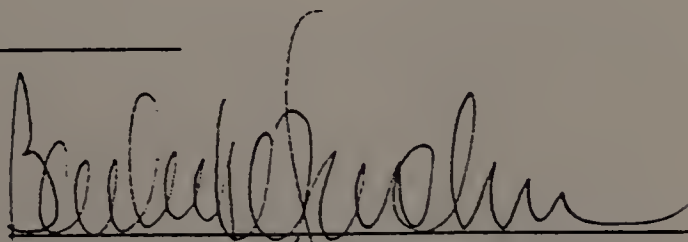
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ABSTRACT

**CHARACTERISTICS OF TWO-YEAR PUBLIC COLLEGES AND
FOUNDATIONS**

WITH SUCCESSFUL FUND RAISING PROGRAMS

SEPTEMBER 1991

ELAINE B. IRONFIELD, B.S., SKIDMORE COLLEGE

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The purpose of this study was to collect baseline data on the level of support that college-related foundations have provided for two-year colleges and to identify the characteristics of those colleges and foundations which have attracted an above average level of support.

Data were obtained through a questionnaire which was sent to 101 public two-year colleges located in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. Seventy-two (72) colleges completed useable questionnaires. Representatives of seven colleges in the high success group participated in the interview component of the study.

Sixty-one colleges reported that they had established an affiliated charitable foundation. During the three-year period covered by this study (July 1987-June 1990), two-year college foundations in the Northeast raised a total of \$27,304,376. Foundation assets totaled \$22,484,704 in June 1990. Twenty six (26) colleges which raised funds greater than the three-year mean of \$349,046 were identified as having high success foundations.

A chi square test was used to determine the relationship between fund raising success and selected variables. The study found that there is a relationship at the .01 significance level between fund raising success and size of the service area, and between fund raising success and the level of financial support for fund raising from all sources. There is no relationship at the .01 significance level between fund raising success and total enrollment, the age of the institution, the age of the foundation, nature of the institution, or the level of financial support provided by the college.

Presidents of colleges in the high success group were more likely to personally solicit funds for the foundation. These colleges also provided more professional and clerical support for fund raising than did those in the low success group. Although colleges in both groups used similar strategies to raise funds, those in the high success reported using a greater number of strategies. Colleges in both groups identified corporations and businesses, individuals not associated with the college, and foundation board members as individuals as the donor groups which provided the most support.

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CHAPTER 1

INTRODUCTION

College- and university-related foundations are separate and distinct legal entities established for the sole purpose of carrying out activities to benefit the college or university. Most meet the definition of a charitable corporation established in section 501(c)(3) of the internal revenue code. They have been awarded tax exempt status; consequently, gifts to the foundation are tax deductible. Although some public colleges and universities have established foundations to manage auxiliary enterprises such as a bookstore, industrial park, or athletic facility, most foundations have as their primary purpose the solicitation, management, and disbursement of private funds to support college operations, capital improvements, scholarship programs, and other enrichment activities.

Foundations to benefit two-year public colleges, like the colleges they support, are a relatively new concept. Most were created in the 1960's and 1970's in response to a decline in state and local support and/or the increasing costs of serving a growing number of nontraditional students [Smith, 1989]. A foundation provided a vehicle for soliciting private support to provide those programs or services which the state could not or would not fund [Kopeck, 1983]. However the majority of public two-year colleges have not achieved a level of support comparable to that enjoyed by private colleges and four-year public colleges [CFAE, 1989]. For most two-year colleges, the potential of a foundation has not been realized. According to the literature, the majority of two-year college foundations are dormant or inactive groups which receive and manage gifts rather than solicit them [Sharron, 1982a].

The failure of two-year colleges to attract private support has been attributed to a lack of institutional support for fund raising. According to the literature, public two-year colleges devote fewer human and fiscal resources to fund raising than do private two-year colleges and four-year public colleges [Loessin, Durino and Borton, 1987a]. Many public college presidents have been reluctant to seek private support, and on the basis of education and training, few are prepared to provide the leadership that is considered critical to a successful effort [Sharron, 1982]. In addition, many two-year public colleges have not enjoyed the strong public image in their communities that is needed to create an environment conducive to seeking private support. Public two-year colleges which attempted to emulate the fund raising methods of private colleges found that they lacked an influential and affluent alumni who were capable of making personal gifts to the college and generating corporate support [Robertson, 1982].

There is evidence of a renewed interest in fund raising on the part of public two-year colleges. The well publicized level of success achieved by a few large, well known community colleges has inspired other institutions to organize or reactivate efforts to secure private support. Membership in professional organizations related to external resource development such as the National Council for Resource Development (NCRD) and the Council for the Advancement and Support of Education (CASE) has increased significantly over the last five years [NCRD, 1989; Smith, 1989] and these organizations are placing greater emphasis on disseminating information on successful fund raising strategies for two-year colleges.

Efforts to secure private support for public colleges in New England lagged behind the rest of the country. According to Worth [1982] few four-year public colleges and universities in New England had established

foundations before 1950. He attributed this to the dominance of private colleges in the area. Prior to 1984, public two-year colleges in New England showed little, if any, commitment to any form of external resource development. Only 31 individuals associated with public two-year colleges in New England were members of the National Council for Resource Development (NCRD) in 1985. Few community colleges in New England had established foundations to solicit private support and most of those foundations were inactive. While approximately 40 individuals from New York and New Jersey were members of NCRD in 1985, little is known about foundations organized to benefit two-year colleges in those states.

Need for the Study

Public two-year colleges are now facing many of the same problems that led to the establishment of foundations in the 1960's and 1970's. Public colleges in the Northeast have already experienced or faced the likelihood of a decline in the level of state support and/or budget reversions [Harney, 1990]. In many northeastern states, a slowdown in economic growth has resulted in a decrease in tax revenues while the costs of mandated human service programs such as medicare and the debt service have escalated. Unwilling or unable to implement new tax programs in order to increase revenue, state legislators have resorted to budget cutting and reversions in order to control spending. Education at all levels has felt the impact of efforts to reduce state spending.

At the same time, colleges are experiencing changing enrollment patterns. Community and technical colleges are serving an increasing number of adult, ethnic and linguistic minority, learning disabled, and handicapped students while the number of traditional college-age students is

declining [The Nation, 1989; Lenth and Zjuniga, 1989]. Many of these nontraditional students require special and expensive support services in order to achieve academic success. Public two-year colleges in Massachusetts and Connecticut have also been mandated to implement new academic policies in order to improve and/or document institutional effectiveness. New Jersey implemented similar policies within the last five years. Faced with new demands for services and diminishing resources, it is likely that public two-year colleges in the Northeast have or will place a new emphasis on securing private support. In order to justify devoting increasingly scarce resources to this effort, community college presidents and development officers need to develop a better understanding of the characteristics of a successful foundation and the relationship between the level of institutional commitment and successful fund raising effort.

There is little research on foundations organized to benefit public colleges in the northeastern states. Although Glandon [1987] and Crowson [1988] conducted national studies of foundations to benefit two-year public colleges, only 15 two-year public college in the northeastern region (federal regions 1 and 2) participated in Crowson's study which was limited to characteristics of board members. Glandon does not provide data on the specific colleges which participated in his research. Duffy's [1979] study of evaluative criteria for community college foundations was limited to two-year colleges in the Southeast, and Silvera's [1974] study included only community colleges in California. A study by the two-year college committee of the National Association of College and University Business Officers [NACUBO, 1988] provides data on funds raised by foundations in 12 eastern states including the New England states (region 1) and New York and New Jersey (region 2) but does not identify the characteristics of a successful

foundation, document institutional commitment, nor identify the strategies used to raise funds.

Previous research on the characteristics of effective foundations organized to benefit two-year public colleges is focused on perceptions rather than achievement. Duffy [1979], Glandon [1987], and McNamara [1988] identified the characteristics that respondents perceived to be associated with effective foundations but did not address the characteristics exhibited by foundations and public two-year colleges that had achieved above-average levels of private support as measured by funds raised over a given period. While the work of Loessin, Duronio, and Borton [1987, 1988] addresses the relationship between institutional characteristics and total funds raised, as well as institutional support for fund raising and total funds raised, only 25 public two-year colleges were included in their study. The two-year colleges participating in the studies conducted by Loessin, Duronio, and Borton may not be representative of two-year public colleges since only those institutions which had reported fund raising outcomes to the Council for Aid to Education were included in the study.

Statement of the Problem

Private sector fund raising through a college-related foundation is a potential strategy for attracting new resources. In order to justify investing scarce institutional resources in building a private fund raising effort, decision makers need data on the characteristics of those colleges and foundations which have attracted above average levels of private support. Most of the research on two-year college foundations has been focused on identifying those characteristics which people perceive to be associated with successful foundations rather than on characteristics exhibited by foundations

which have been the most successful in terms of the dollars raised over a given period. Two-year colleges which seek to create a college-related foundation, reactivate a dormant foundation, or significantly increase the total funds raised need data on the extent of institutional commitment needed to support such an effort and those fund raising strategies that have been most successful. Without adequate data on which to base decisions, two-year colleges may pursue a course of action that has little potential for success thereby forgoing the opportunity to secure new resources.

Purpose of the Study

The purpose of this study was to collect baseline data on the level of support that college-related foundations have provided for two-year colleges in the Northeast and to identify the characteristics of those colleges and foundations which have attracted an above average level of support.

The study was designed to answer the following questions:

- 1) What percent of the two-year public colleges in the Northeast have active foundations?
- 2) What level of fund raising success have two-year public college foundations in the Northeast achieved during the period July 1, 1987, to June 30, 1990, as measured by funds raised and in total assets?
- 3) How do two-year colleges that have attracted above average levels of support as measured by total funds raised differ from two-year colleges that have received below average levels of support in respect to the following variables: a) enrollment, b) population in the service area, c) age of the institution, d) age of the foundation, e) nature of the institution (technical or community college), f) level of financial support

from the college for fund raising, and g) level of financial support for fund raising from all sources?

- 4) What are the characteristics of those two-year colleges and foundations which have achieved above average levels of support as measured by total funds raised. The specific characteristics being assessed are a) involvement of the president in fund raising activities, b) the level of staff support, c) fund raising strategies used, and d) sources of private support.

Significance of the Study

The findings of this study will contribute to a better understanding of the characteristics exhibited by those two-year public colleges and foundations which have attracted above average levels of support. The results of this study can be used by colleges and foundations to determine the level and type of institutional commitment which is associated with above average levels of support and to identify the specific fund raising strategies that have been used successfully by two-year public colleges.

A search of the literature revealed little data on the number of foundations organized to benefit public two-year colleges in the Northeast nor the level of private support that these foundations have attracted. Much of the previous research on characteristics of successful foundations is focused on perceptions rather than achievements. Other studies which address the relationship between institutional or foundation characteristics and the total funds raised include only a small number of two-year public colleges. This is the first study to identify the specific fund raising strategies that have been used by two-year colleges which have attracted above average levels of support and to identify the level and type of institutional commitment which

is associated with above average levels of support. The data on total funds raised and foundation assets collected in this study defines the level of private support for two-year colleges in the Northeast.

Delineations of the Study

Only public two-year colleges located in six New England states, New York, and New Jersey are included in the study. In the case of multi-campus institutions, branch campuses were not included in the survey. Only seven colleges which had achieved above average levels of support were included in the telephone interview portion of the study.

Definition of Terms

Active college foundation: A college-related foundation which has actively solicited funds in any one of the three years (for the purpose of this study July 1, 1987—June 30, 1990), raised at least \$3,000 in any one of the last three years, and held at least one meeting of the board of directors each year.

College-related foundation: An affiliated not-for-profit corporation which has been organized for the purpose of fund raising and friend raising to benefit the college.

Two-year public college: A publicly supported, associate degree-granting institution. For the purposes of this study, the term includes technical and community colleges.

Fund raising: The process of acquiring monies or other resources from external sources including individuals (living or dead), corporations, and private foundations.

Design of the Study

This study is organized into five chapters. Chapter 1 includes a description of the problem, statement of purpose of the study, research questions, delineations of the study, and definition of terms.

Chapter 2 includes a review of the literature related to this study which is presented in two sections. The first section consists of a historical overview of the role of philanthropy in the founding and development of institutions of higher education and the literature pertinent to the mission, organization, and growth of foundations organized to benefit two-year public colleges. The second section reviews the literature related to those factors and conditions which are considered to be associated with attracting above average levels of private sector support.

Chapter 3 describes the research procedures, selection of the population, survey instruments, collection of the data, and analysis of the data.

Chapter 4 presents the findings from the data collected from the written questionnaire and telephone interviews. The data is presented in both tabular and narrative form. Data includes demographic information, funds raised, total assets, and the identification and ranking of institutional and foundation support for fund raising activities, fund raising strategies used, and sources of gifts.

Chapter 5 presents a summary of the findings, conclusions, and recommendations.

CHAPTER 2

REVIEW OF THE LITERATURE

The literature review for this study is presented in two sections. The first section consists of a historical view of the role of philanthropy in the founding and development of institutions of higher education and the pertinent literature on the mission, organization, and growth of foundations organized to benefit two-year public colleges. The second section reviews the literature related to those factors and conditions which are considered to be associated with attracting above average levels of private sector support. Specifically, this section of the literature review addresses the fund raising environment, institutional commitment to securing private support, and the role of the board of directors of a college-related foundation.

Philanthropy and Higher Education

Although the Kansas University Endowment Association, established in 1893, was the first foundation established to benefit a public university [Luck and Tolle, 1976], private support has been influential in the establishment and growth of educational institutions. Silvera [in Glandon, 1987] traced the historical roots of educational foundations to the fourth century B.C. when King Alexander provided a library endowment for what was to become Alexandria University. Plato endowed his academy with gifts of books and bequeathed to the academy his personal estate. Private support was also critical to the founding of the great universities of Europe. Wealthy individuals donated houses that served as classrooms in the early days of Oxford and Cambridge [Crowson, 1985]. According to Carmichael [in Crowson, 1985] colleges and universities in Wales, Scotland, England, and

Ireland were established as a result of private contributions. In 1601, the concept of the foundation was legally defined in the "English Statute of Charitable Uses when the state granted certain privileges to private citizens in exchange for their willingness to serve the public good by supporting or performing an act of charity" [Kurzig in Crowson, 1985, p. 14].

According to Broce [in McNamara, 1988] early settlers brought to America an appreciation of the concept of philanthropy. The English as well as the Dutch established churches, schools, and colleges with private gifts. Harvard University was established with a donation of 300 volumes of written material and a small endowment from John Harvard [Duffy, 1979]. Presidents of other fledgling colonial colleges actively sought contributions from wealthy benefactors as well as gifts of materials, produce, supplies, and labor from church members, missionary societies, and friends [Pray, 1981]. The literature shows that in 1769 clergymen acting as paid agents of the College of New Jersey (later to become Rutgers) secured contributions of produce valued at £1000 from benefactors in Georgia. According to Linsey [in Pray, 1981] the concept of the annuity can be traced to 1839 when the Honorable Azariah Williams deeded land valued at \$25,000 to the University of Vermont in return for an annual income for the remainder of his life. At the turn of the century, efforts to raise funds became more systematic. In 1890, Yale University became the first college to establish an alumni fund [Sharron, 1978]. Boce [in McNamara, 1988] reported that in the early 1900's colleges and universities began to employ individuals to carry out fund raising efforts. Philanthropy continues to be an important source of revenue for operating expenses as well as capital purposes. In 1988-89, total voluntary support for higher education was estimated to be \$8.9 billion [McMillan, 1990].

In addition to contributions from individuals, charitable foundations established by wealthy industrialists also provided significant resources for higher education. [Duffy, 1979] cited two early examples of foundations which provided funds for education—the George Peabody Education Fund, established in 1867, which provided \$2 million for the promotion and encouragement of education in the South, and the John F. Slater Fund that provided for the education of freed men. Other family foundations with a long tradition of support for education include the Carnegie Foundation, established in 1911, and the Rockefeller Foundation, founded in 1913. As an example of the influence of private foundations, Kuhn [in Duffy, 1982] reported that the Carnegie Foundation spent \$5.6 million on education in 1913 while the federal government allocated \$5 million for that purpose. Today, private foundations continue to be an important source of support for colleges and universities. According to a survey conducted by the Council for Aid to Education, gifts from private foundations for colleges and universities totalled \$1.7 billion in 1988-89 [McMillan, 1990].

While contributions from individuals, corporations, and foundations have helped shape both private and public colleges and universities since their earliest days, the concept of an independent foundation to actively solicit and manage private funds to benefit a public college is less than 100 years old. In 1893, Kansas University established the first university-related foundation. According to Rennebohm [1981], The Kansas Endowment Association was founded "...because gifts to the university became the property of the state and the treasurer used them to pay the general expenses of the university rather than reserving them for those 'over and above' purposes that gifts are usually intended for" [p. 317]. However, few other public colleges were quick to adopt the Kansas model. Reilley [1985] reported

that only four public universities had established foundations prior to 1930 and cited the 1960's and 1970's as the period in which the greatest growth in the number of college-related foundations occurred. Sader [1986] estimated that since 1960, 70 percent of all public universities had established a foundation. McNamara [1988] reported that in 1980, 339 four-year state universities had foundations.

Duffy [1979] and Sims [1976] reported that Highland Community College Foundation, established in 1962, was the first private foundation established to benefit a public two-year college. However, in a profile of nine community college foundations which appeared in the Community and Junior College Journal in November 1981 [Angel and Gares, 1981b], Coast Community College reported that their foundation had been in existence for 34 years. Ellsworth Community College and Edison Community College also reported foundations organized prior to 1962. Robison [1982] identified foundations at Long Beach City College, founded in 1922, Santa Monica City College, founded in 1955, and Vincennes University, a two-year public college, founded in 1949, that predate Highland.

While researchers do not agree as to the first community college to establish a private foundation, there is strong agreement that the greatest growth in the number of community college foundations also occurred in the decades of the 1960's and 1970's. Robison [1982] compared Toll's 1966 study of community colleges in California which found that only 17 percent of the colleges had foundations with a similar study conducted by Silvera in 1976 which showed that 47 percent of the colleges had foundations. Luck [1976] reported that although less than half of all public colleges had established foundations, 20 percent of the colleges planned to do so in the near future. Angel and Gares [1981a] surveyed 1,230 two-year colleges in 1980 and found

that 370 of the 592 colleges responding reported having a foundation. Of those colleges with a foundation, 41 percent reported that the foundation had been organized in the last five years. More recently, Ryan [1988a] estimated that 700 of the 1,200 two-year colleges had established foundations.

Mission and Goals of the College-Related Foundation

The primary mission of a college-related foundation is to raise, manage, and disperse funds. Stefurak [1982] saw the acquisition and conversion of resources to advance the goals of the college as the primary mission. Kopeck [1983] stated that "the basic purpose of the foundation should be to provide the means by which the college can benefit from those things that it needs, but which it can't provide for itself using tax dollars" [p. 14]. Woodbury [1980] suggested that "the primary purpose for establishing a community college foundation is to provide a vehicle for local solicitation of funds to help support programs and facilities at the college not being adequately funded elsewhere" [p. 16]. Rennebohm [1981] found that the primary purpose of the college or university foundation "has been to solicit, receive, invest and manage gifts and bequests" [p. 316]. Lake [1981] perceived the foundation as a means of obtaining private funds that would not be acquired through traditional sources. The Massachusetts Senate Post Audit Committee [1990] reported that as private charities, college-related foundations could attract gifts from organizations whose charters prohibit them from supporting public institutions.

There is also strong agreement that the foundation as a separate legal entity provides a vehicle for circumventing cumbersome and often inappropriate regulations that limit institutional flexibility and which may make it difficult for a public college to pursue its own goals.

Most often foundations have been formed because of cumbersome state regulations which among other things, place the prisons, highways, parks, mental institutions, and all other state institutions in the same basket with its educational institutions. A classic case of mixing apples with oranges. [Rennebohm, 1981, p. 317]

Simic [1985] saw the opportunity to protect contributed dollars from encroachment by the state legislature and the flexibility to respond to an unanticipated opportunity in a timely manner as two advantages of a foundation. Rennebohm [1981] also emphasized the importance of administrative flexibility which could enable the university to move quickly to take advantage of an opportunity but added that investment flexibility was also an important advantage. As a separate legal entity the foundation could participate in any sound investment program which could maximize rewards while universities may be prohibited by state regulations from certain types of investments. Keener [1982] also cited freedom from state regulations as an important attribute of the foundation.

While the literature on foundations related to four-year colleges and universities addresses the added advantage of involving a new group of volunteers with the university [Simic, Rennebohm, Worth], achieving a strong community support is considered to be an additional component of the primary mission of the community college foundation. Lake [1981] saw the foundation as a vehicle for broadening the base of community support through the involvement of individuals who were willing to articulate the needs of the college as well as the institution's mission and goals. Wattenbarger [1982] pointed out that a foundation can enhance the college's planning process since the foundation directors would have direct knowledge of community needs. According to Keener [1982], "...the foundation not only

offers funds but friends for the college. These friends can become spokespersons for the institution. This exchange can become a reciprocal agreement with ideas flowing both ways" [p. 11].

Funds raised by foundations organized to benefit public colleges are used to provide the "margin of excellence" not meet basic operating expenses.

Successful public university development programs raise money for educational program quality rather than for operation of expansion of existing programs. They seek to identify the public interest in programs and projects that need gift support to be successful. Philanthropy is used to 'water the green spots' not just to keep down the dust [Leslie 1985, p. 13].

Worth [1985] also stressed that private funds provided "...a margin for excellence, a margin for innovation, and a margin within which public colleges and university administrators can seek to achieve progress for their institutions" [p. 5]. Kopeck [1983] in describing the need for a community college foundation pointed out that while state support is usually minimally sufficient to carry out programs, there is usually little support for enrichment or enhancement activities that are related to excellence. The Massachusetts Senate Post Audit Committee [1990] reported that "...endowment funds do not necessarily save the state money. Instead, they allow an institution to expand the scope of state higher education." [p. 12] This emphasis on funding for enrichment and excellence rather than operating expenses was confirmed by Graham and Anderson [1985]. Fifty-five percent of the community colleges who responded to their survey reported that they had received some level of support from the foundation for special projects. Only 15 percent of the respondents reported foundation support for capital or operating budgets.

While all college-related foundations are organized for the sole purpose of carrying out activities to benefit the institution, the range and scope of activities varies considerably. It is not unusual for a large public university to have more than one foundation, particularly when the foundations have been established to patent and license university-related discoveries, as well as build and operate dormitories, football stadiums, sports areas, and research parks [Rennebohm, 1981].

Woodbury [1980] identified three types of community college foundations: the college foundation which provides support for a single institution, the facilities foundation which leases and operates college properties such as the cafeteria or the bookstore and disburses the profits, and the regional foundation which solicits funds for institutions in a particular community college district and apportions resources to the individual colleges. Robison [1982] classified community college foundations on the basis of scope and level of activity. She identified five different types of foundations. The "Holding Company," the most passive of the five types, manages assets received from a one-time gift; the "Old Buddies" foundation is dominated by one individual who views the foundation as a personal charity and solicits funds from friends; the "Structural Agent or Operating Foundation" is concerned with operating one or more auxiliary enterprises at a profit. The "Special Purpose" foundation is organized around one particularly activity such as scholarships or athletics. The fifth type, the "Comprehensive" foundation which may encompass some or all of the features of the other four is characterized by providing support for a variety of projects and a broad range of fund raising activities.

Community college foundations sponsor a wide range of activities that benefit the institution. Emphasis varies depending on institutional needs.

As Robison [1981] suggested, the beauty of the foundation is that it supports areas of the college's greatest need. She suggested that appropriate projects might include equipment, library resources, faculty and staff development programs, and college hospitality costs. Scholarships, faculty enrichment, student activities, and cultural activities were mentioned by Keener [1982] who also emphasized that the foundation, through its directors, can aid the college in other areas such as planning and budgeting and community improvement by providing a vehicle for communication. A survey of 122 two-year colleges in 12 eastern states conducted by the Two-Year College Committee of the Eastern Association of College and University Business Officers [1988] found that foundations funded scholarships (79), equipment (63), and professional development (49).

Organization of the College-Related Foundation

As a separate legal entity, the activities of the foundation are managed by a board of directors. Board members are responsible for the solicitation, management, and disbursement of funds. Like all corporations, the foundation is a legal person and its directors are not personally responsible for the debts of the foundation. Board members do have a fiduciary responsibility for ensuring that funds are managed and disbursed in a prudent manner which is in keeping with the intent of the donor. According to Worth [1982] "...as fiduciaries protecting foundation assets contributed by private donors, foundation board members represent the influence of those donors on the university" [p. 155]. However, since foundations established to benefit public colleges use the name of the institution, state legislatures may seek authority to regulate foundation activities. The state of New Jersey has granted certification authority for college-affiliated foundations to the board

of education. State law authorizes the board of education to establish a statewide accounting and reporting system for these organizations. The Florida board of regents certifies that each college-related foundation is operating "...in a manner consistent with the goals of the university and in the best interests of the state." [Senate Post Audit Committee 1990, p. 29]

While the college president or his/her designee and other college employees are members of the foundation board, the majority of board members are individuals who have an interest in the institution. While many large and successful foundations have paid staff members to coordinate fund raising activities, most do not. Typically, employees of the college provide support for the foundation. Swanson [in Crowson, 1985] identified seven fundamental responsibilities for boards employing at least one staff member.

- 1) Seeing that the organization achieves its stated responsibilities
- 2) Making policies and plans
- 3) Raising and managing the organization's funds
- 4) Supervising and evaluating the performance of the executive director
- 5) Appointing committees
- 6) Holding property
- 7) Leadership development

Boards without staff support would have similar responsibilities but would not supervise or evaluate personnel. Woodbury [1973] identified similar roles but stressed communication with local leaders and identifying community needs which may be met by the college:

The board of directors of the foundation is not responsible for setting institutional policies, that responsibility remains with the college's governing board. However, since some foundations have discretion over the use of

significant resources or can make decisions about soliciting funds to support new projects, board members can potentially influence the institutional mission as the result of decisions on solicitation and disbursement of funds. Scholarship programs can expand access, funds for instructional equipment can enhance the quality of instruction, and support for professional development activities can help the college develop new capabilities. However, the specific nature of the activity can emphasize one aspect of the mission to the potential detriment of other equally important goals. As Brillingham and Pelluzzo [1990] point out:

...each request for support is a statement about what the institution would like to become (or remain)...and each accepted gift with all of its stipulations and restrictions, is a statement about what the institution is willing to become, how it is willing to see itself and the world. [p. 57]

Scholarship programs, particularly those designated for underserved populations, can expand access. However, those restricted to students enrolled in a specific curriculum may unduly influence the decisions of needy students, particularly in the community college. Highly visible career-related programs such as health care and technology-based programs are more likely to attract donor support than less visible disciplines such as history, languages, and mathematics. Consequently, external support can enhance instructional quality in some areas, while other areas may suffer. Potential donors may shape institutional values and priorities.

Institutions seeking the support of corporations are more likely to value their business and engineering programs (to the possible detriment of their arts and humanities programs) and to experience "organizational esomorphism" with the corporations, paying increased attention to such business functions as accounting, marketing, and public relations.

Emphasizing such values convinces businesses that these colleges and universities are "good investments" but it may come at the unrecognized cost of less attention to other institutional offices such as the library and learning resources. [Brillingham and Pelluzzo, 1990, p. 58]

While foundation boards typically rely on the president to identify and prioritize institutional needs, donors can and do offer to support programs and projects which reflect their personal interests and goals. While the presumption is that a donor is making a gift to the institution with no expectation of benefit, some gifts are based on clear expectations of benefits to the donor. Colleges offer "naming opportunities" in exchange for large contributions to capital campaigns. Gift clubs often offer specific privileges at each level of giving. Honorary degrees may be used to woo potential donors or recognize significant contributions. [Brillingham and Pelluzzo, 1990]

The governing board of the institution has the authority to accept or reject a gift from the foundation. Brillingham and Pelluzzo [1990] suggest four reasons for refusing a gift:

(1) the source of funds may influence or appear to influence the institution's objectivity or freedom (2) the source of the money may be so 'tainted' that the gift is unacceptable (3) restrictions on the gift (in direct or indirect costs) may be unacceptable to the institution; or (4) the institution may become unacceptably dependent on a single donor. [p. 68]

Although there is a potential for conflict between the governing board of the institution and the foundation, Worth [1982] found little evidence of conflict or tension between the two groups.

Growth

The 1960's and 1970's were the periods of greatest growth in the number of college-related foundations. Prior to 1960, public support for higher education was at least adequate [Worth, 1985], and in many cases the limited mission of four-year colleges and universities impeded their efforts to seek private support. According to Worth many state colleges were primarily teacher training institutions and so lacked an affluent and influential base of alumni support as well as strong ties to the corporate community. In some geographic areas, particularly the eastern states, the long tradition of private education limited the mission of public colleges and universities.

In the last century and well into this one public universities in the Northeast were viewed as specialized schools in agriculture and the mechanical arts and not destined to achieve excellence across a broad spectrum of fields. [Worth 1985, p. 2]

In addition, many public college administrators felt that it was inappropriate for tax-supported institutions to seek public support [Luck and Tolle 1978, Worth 1982, Robertson 1989].

Much of the growth in the number of community college foundations can be explained simply by the growth in the number of two-year public colleges since, according to Sharron [1982], colleges generally organized foundations five years after the founding of the institution.

Changing enrollment patterns, new demands for programs and services, and inadequate fiscal support were the primary reasons community colleges organized foundations in order to seek private support. In 1958, local sources provided 43 percent of the operating funds for community colleges. By 1979, only 20 percent of revenue came from local sources while state support

accounted for 50 percent. Graham and Anderson [1985] who found that over half the colleges they surveyed received between 50 percent and 79 percent of their operating funds from state sources, expressed concern that state agencies now had considerable leverage in decision making.

By the mid-1970's community colleges across the country experienced the effects of inadequate funding. A survey of two-year colleges in 39 states showed that seven states experienced a decline in support in the period 1975-77 while 21 states reported stable resources [McGuire, 1979]. Those states reporting a decline actually experienced larger appropriations but since appropriations failed to keep pace with inflation and enrollment growth, funding per student decreased. Although states experiencing stable funding reported no appreciable increase or decrease in funding over the three years, they also reported experiencing problems coping with inflation and rising costs which were similar to those of colleges reporting a decline in funding and increasing enrollments [McGuire, 1978]. During the period of stable or declining appropriations the need for additional revenue was increasing. Community colleges were expanding their mission by developing new, often high cost career-oriented curricula, and seeking to enroll an increasing number of nontraditional students who often required new and expensive support services. According to Smith [1989], "Two-year colleges were among the first to realize the Carnegie Council's projection of a five to fifteen percent enrollment decline among traditional 18-22 year old students while at the same time significant increases in older students brought with them 'nontraditional' requirements for curriculum and services" [p. 2]. While many community colleges successfully sought federal and state grants in order to secure additional revenue to meet these emerging needs, grant funds addressed agency priorities rather than institutional needs. Most grant

programs require the successful applicant to implement a specific project which may be limited in scope or serve only students who meet certain criteria. Grant-making agencies generally require extensive recordkeeping and reporting procedures that place additional demands on the institutional personnel.

A foundation which could generate new sources of revenue offered the potential not only for funds to meet the growing demand for new programs and services but also the opportunity to restore local control by providing support for those activities which the state could or would not fund.

While four-year and two-year college foundations experienced similar growth patterns, they did not achieve similar levels of success. In 1988-89 the Council for Aid to Education reported that more than one-third of the \$8.9 billion in voluntary support to education went to public colleges. A decade earlier, only one-fourth of all gifts to higher education went to public institutions [Worth, 1989]. The 282 four-year public colleges and universities which responded to the 1988-89 CFAE survey of voluntary support reported total support of approximately \$2.6 billion. Although private four-year institutions continue to receive a higher level of support (\$4.8 billion, 706 institutions reporting), the percentage of corporate support going to public colleges increased significantly. Fifteen years ago private colleges received two-thirds of all corporate gifts. In 1988-89 more than half (52 percent) of all corporate support (\$1.6 billion) for four-year colleges went to public institutions [McMillan, 1990]. Eight public universities appear in the list of top 20 colleges reporting the most voluntary support, and 12 are among the top 20 reporting the most corporate support [Bailey, 1990].

Two-year public colleges have made significant gains in fund raising. Two-year public colleges experienced a 253 percent increase in voluntary

support from 1986-87 to 1987-88 [Brillingham and Pelluzzo, 1990]. However, most community colleges have failed to generate levels of support comparable to public four-year colleges. According to CFAE, total voluntary support for the 119 two-year public colleges responding to the 1988-89 survey was \$44,498,000 [McMillan, 1990]. During the 1970's although the number of college-related foundations increased, enrollment also increased and private support declined on a per capita basis from \$8.58 to \$7.25 [Woodbury, 1989]. Although corporate giving to community colleges has increased from \$10 million in 1984-85 [Ryan, 1988a] to \$14.2 million in 1988-89 [CFAE, 1990], community colleges receive only a little more than a penny out of every dollar of corporate support for higher education. Giving to community colleges by private foundations has also increased over the last five years. Community colleges received \$10.8 million from large foundations in 1988-89. However, this represented less than one percent of all gifts by large foundations to educational institutions [McMillan, 1990].

A few community colleges have consistently demonstrated their ability to secure private support. Ryan [1988b] identified ten public two-year colleges which consistently generated high levels of support during the period 1981-82 to 1985-86.

Table 2.1

Top Ten Public Two-Year Colleges*

COLLEGE	TOTAL DOLLARS RAISED 81-82 to 85-86	NO. OF YRS. IN TOP10
Dallas Community College District	\$4,314,087	5
Miami-Dade Community College	4,262,712	5
Foothills-D'Anza Community College	2,973,952	2
Triton College	2,661,618	3
Jamestown Community College	2,478,474	2
Santa Fe Community College	2,256,698	2
Tyler Junior College	2,141,523	2
Edison Community College	1,918,071	3
Valencia Community College	1,850,963	3
Washington State Comm. Coll. District	1,746,163	2

Several of the colleges on the top-ten list [Ryan, 1988b] reported that in just one year (1988-89) they raised funds nearly equal to what had been raised in the five-year period included in Ryan's study. Miami-Dade reported that in FY89 the foundation had raised \$3,955,620. Valencia Community College raised \$1.8 million, and Edison Community College \$1.5 million. The Dallas Community College District (\$1.9 million) and Foothills-D'Anza (\$1.6 million) raised in one year nearly half of the total funds raised in the period 1981-85. Five other two-year public colleges—Broward Community College, Riverside Community College (California), Dixie College (Utah), New Mexico Military Institute, and Westlark Community College (Arkansas)—reported that they raised more than \$1.2 million in 1988-89 [Hedley, 1990]. Although St. Petersburg Junior College reported \$8.9 million for the same period, their

* Ryan [1988b, p. 10]

total included one gift of property valued at \$8.6 million [CFAE, 1989]. The Miami-Dade Community College Foundation reported total assets of more than \$71 million in 1989 and the foundation's president predicted that total assets will approach \$300 million by the turn of the century [Nicklin, 1990].

The majority of community college foundations have not achieved this level of success. Glandon [1987] found that only 227 community colleges conducted one or more friend raising or fund raising activity in 1984. Only 96 of the 227 colleges with active fund raising programs raised \$50,000 or more in 1984, and 20 percent received no cash or in-kind contribution. Crowson [1985] reported that 106 of the 185 [57.3 percent] community colleges who participated in her study raised less than \$50,000 between July 1, 1983 and June 30, 1984, and only 26 foundations [14.1 percent] reported total assets of \$500,000 or more. A study of 122 two-year colleges in 12 eastern states conducted by the two-year college committee of the Eastern Association of College and University Business Officers [1988] found that only 18 of the 77 foundations reporting had total assets of \$500,000 or more.

Private support for two-year public colleges is increasing. While even the top-ten colleges reported by Ryan [1988b] and Hendley [1990] raise far less than the top-ten private and public four-year colleges and universities [CFAE, 1990], two-year public colleges are making the greatest percentage gain in fund raising. Brillingham and Pelluzzo [1990] reported that according to the Council on Financial Aid to Education private support for two-year public colleges increased by 253 percent over the period 1986-87 to 1987-88.

Although many community college foundations have not attracted significant levels of private support, declining state support for public higher education coupled with the well-publicized success of a few institutions may prompt two-year colleges to intensify their efforts to attract private funds.

Although state support for public higher education in 1990-91 was 11.6 percent greater than total state support in 1988-89, the percentage of increase was the smallest it has been since 1958 [Jaschek, 1990]. According to an article in the Chronicle of Higher Education the "picture is particularly bleak in New England." [Jaschek, p. A26]

Spending on higher education in Massachusetts showed a two-year loss of 20 percent, the worst in the nation. Connecticut, New Hampshire and Rhode Island rank 46th, 47th and 48th, respectively, in two-year percentage change. Other eastern states are also faring poorly: New Jersey, New York and Virginia all have two-year percentage increases that are less than the 10.6 percent rate of inflation during the period. [Jaschek, p. A26]

In the mid-1970's, diminishing state support prompted two-year colleges to organize foundations [Robison, 1982; Luck, 1976; Angel and Gares, 1981a]. In the late 1980's, reductions in federal, state, and local support have motivated two-year public colleges to restructure their fund raising efforts in order to attract increased levels of private support [Nicklin, 1990]. Some fund raising professionals believe that two-year colleges are just beginning to tap their full potential. George Brakley, III, president of the fund raising firm of Brakley, John Price Jones, Inc., described community colleges as "sleeping giants" who "are just beginning to learn to spell the word development." [Nicklin, 1990, p. A33] The 253 percent increase in voluntary support for two-year public colleges reported by Brillingham and Pelluzzo [1990] provides evidence of success as well as renewed interest in fund raising.

Factors Which Influence Success

According to Loessin, Duronio, and Borton [1987b], "practical experience and the literature indicate that fund raising outcomes are affected by at least

four factors: a. institutional characteristics, b. fund raising expenditures, c. fund raising methods, and d. donor/market characteristics" [p. 1]. Loessin, Duronio, and Borton studied 576 institutions to identify and quantify the multiple factors affecting fund raising potential and effectiveness in higher education overall and for major donor groups. Of the 576 institutions studied, 386 were private colleges and 189 were public institutions. Fifty two-year colleges, 23 public, and 27 private, were included in the study. Endowment and educational and general operating expenditures were the two institutional characteristics which were most highly correlated with fund raising success. Loessin et al [1987b] saw endowment as a measure of fund raising tradition and past success, as well as institutional wealth. Since Loessin et al found a low correlation between fund raising expenditures and endowment, they suggested that "history and tradition may come to take the place of actual dollars invested in fund raising" [p. 22]. Education and general expenditures also provide a measure of resources available to invest in fund raising but perhaps more significant the strong correlation between educational and general expenditures and corporate support may indicate that colleges which are able to accomplish specific objectives are more likely to secure corporate support. Loessin et al also reported that on the continuum of institutions from the research institution to the two-year college, institutions with more complex missions generally achieve higher levels of support. Size of the institution as evidenced by the number of alumni and enrollment showed a high correlation with corporate contributions. While the study showed a high correlation of fund raising expenditures and fund raising staff with total voluntary support, the correlation between expenditures and staff and support were moderate to low for all donor groups except alumni.

Loessin, Duronio, and Borton [1988] developed three profiles—high, medium, and low—for each of the types of colleges participating in the study. They reported that institutional profiles for all private colleges and all public colleges suggest that the relationships of outcomes and characteristics are not substantially different across public and private institutions and that no institution is automatically excluded from a successful fund raising effort on the basis of institutional characteristics.

While it is true on the average that wealthier, large, older, and more prestigious institutions acquire higher levels of voluntary support than institutions with more modest characteristics, the data from other parts of this study indicate that there are numerous exceptions and that there is a wide range of outcomes for total voluntary support and for gifts from separate donor groups for each type of institution. These findings suggest that no institution is automatically excluded, on the basis of institutional characteristics, from a successful fund raising effort.
[p. 1]

According to a study of 94 private colleges conducted by Pickett [1981], colleges which achieve more than average success in fund raising shared three important characteristics: trustee leadership, a sense of institutional direction, and a major commitment to the fund raising effort. Pickett also reported that those colleges which were the most effective simply spent more money on fund raising and had more staff than institutions that were less productive. The size of the college's endowment, tuition, the number of alumni, and academic quality were factors which determined an institution's potential.

Ryan [1988b] cited a study by Ryan, Hall, and Smith [1987] which found that the ten most successful community college foundations in terms of funds raised over a five year period, shared four characteristics:

- 1) They had highly respected academic programs, high community profiles, large enrollments, and significant pre-existing corporate support.
- 2) The college president's involvement in fund raising is necessary for success.
- 3) The existence of a full-time development person with an office was essential for success.
- 4) The colleges adopted the approach "spend money to make money" [p. 6].

Duffy [1979], who used a panel of leading development officers to develop a list of characteristics of a successful foundation, reported that community college presidents and development officers in the Southeast identified the five most important characteristics as: establishes strong public relations with the community, involves effective community leaders and potential donors as members, provides a vehicle for community involvement in the institution, and raises large amounts of money. Glandon [1987], who conducted a national survey of development officers, confirmed Duffy's findings.

McNamara [1988] identified and ranked six characteristics of an effective community college foundation in her dissertation, Characteristics of an Effective Two-Year College Fund Raising Program.

- 1) Presidential support and commitment to a fund raising program
- 2) Involved board members
- 3) Knowledgeable and motivated chief development officer
- 4) Adequate budget
- 5) College programs that meet the needs of the community
- 6) Clear, well defined case statement for private support

Duffy and others—Robison [1982], Keener [1982], Glandon [1987]—emphasize that fund raising is only one component of the mission of a community college foundation. Public relations, as evidenced by strong ties with community leaders, is considered equally important. Alan Robertson, president of Santa Fe Community College, Gainesville, Florida, emphasizes the importance of the foundation as an advocacy group for the college.

Even more important than money is the value of having 20 or 25 leading citizens of the community showing the commitment to the two-year college, understanding its mission, its successes, its problems, and speaking with knowledge and conviction about 'their' community college [Robertson, 1982, p. 92].

The work of Loessin et al, Duronio et al, Pickett, Ryan, McNamara, Duffy, and others can be summarized as three variables which influence the potential for success as well as the degree of success a community college foundation might achieve.

- 1) An appropriate fund raising environment which is determined by external forces such as attitudes about fund raising, community giving potential, and institutional characteristics such as mission and size.
- 2) Institutional support as evidenced by the commitment of the governing board, the involvement of the president, the availability of professional staff, and an adequate budget.
- 3) The active participation of a board of directors composed of affluent and influential community leaders.

To what degree can the failure of the majority of community college foundations to attract significant private resources be attributed to these variables? Although Duronio et al [1988] suggests that "no institution is automatically excluded on the basis of institutional characteristics from a

successful fund raising effort" [p. 1], many community colleges lack the characteristics associated with success or have failed to devote the resources and effort needed to achieve their potential.

Fund Raising Environment

While Duronio et al [1988] found that no institution was automatically excluded from a successful fund raising effort on the basis of institutional characteristics, she pointed out that some institutions have developed a pessimistic attitude about their fund raising potential as a result of comparing their institution with the better known colleges that have achieved high levels of success. Sharron [1982] suggested that widely held "myths" about the ability of community colleges to raise funds had impeded the development of private fund raising efforts. Sharron identified eight myths.

- 1) People will not give to tax-supported local institutions because of the legislative support received and/or the local millage support already provided by the taxpayers within the district.
- 2) People in a local community will not give to two-year colleges because the quality of education provided by the institution has been suspect.
- 3) People will not give to community colleges because the constituency that they serve comes from the lower and lower-middle economic groups rather than from the middle and higher economic populations.
- 4) People will not give to the two-year college because it is perceived to be more closely aligned with the elementary and secondary educational system at the local level.
- 5) People will not give because two-year colleges are not prestigious enough and do not have big-time intercollegiate athletics, fraternities and

sororities, and/or strong external organizational support that caters to their interests.

- 6) People will not give because even those who graduate from the two-year college transfer programs must go on to the four-year baccalaureate colleges and universities and their loyalties usually reside with that institution they last attended.
- 7) The staffing and economic resources required for private sector fund raising will have to compete with the already limited resources available from state and federal sources which make it a high risk and long term venture that may not be popular with the faculty and the elected board of trustees.
- 8) The proper role of the community college president is that of an effective educational manager of the institution and one that must primarily relate to the local college board of trustees who will raise the necessary money for programming. [p. 301]

Brillingham and Pelluzzo [1990] suggest that the lack of a tradition of private support may impede community college fund raising efforts, particularly contributions from alumni.

Many graduates of private liberal arts colleges know from the time of admission or freshman orientation that they are expected to be loyal and contributing alumni: the names of previous donors they see on resident halls and science laboratories and attached to scholarships serve as a continuing reminder of this expectation. Students at public community colleges, on the other hand, enter and usually leave the institution without such expectations. [p. 23]

Robertson [1982] suggested that some community college administrators felt that it was inappropriate for two-year colleges to seek private support since private resources should be available to private institutions. According to Robertson [1982], community college administrators were pessimistic about the potential for private fund raising because few community college alumni have achieved a level of affluence comparable to that of alumni of four-year private colleges. Community colleges lacked other ties with major corporations since few Fortune 500 companies came to campus to recruit graduates and the colleges had not attracted the attention of powerful national figures who could and would speak on their behalf.

More recently, Ryan [1988a] cited four fears—rejection, competition, involvement, and cost—which have inhibited community college fund raising. Ryan suggested that some presidents and trustees felt that public colleges should not seek private support and that while some presidents are uncomfortable asking for money, others think that fund raising takes too much time. "Colleges fear the cost of a major fund raising effort so they start in a tentative, low cost, exploratory manner," [p. 5] Ryan concluded. Consequently, a negative attitude about the potential to attract significant private resources may, as Duronio et al [1988] suggests, lead to restricted allocations for fund raising in many institutions.

Loessin, Duronio, and Borton [1987b] found that wealthier, larger, older and more prestigious institutions attracted higher levels of support. Ryan's [1988b] list of the top ten community colleges seem to confirm Loessin's findings related to size. Two of the ten, Dallas and Washington State, are multi-college districts which enroll more than 50,000 students. Miami-Dade's four campuses enroll approximately 40,000 students. Foothills-D'Anza enrolls 40,000 students on two campuses. Even the smallest of the ten,

Jamestown, enrolls 4,000 students [Palmer, 1989]. While quality and prestige are difficult to measure, Dallas, Miami-Dade, Triton, Santa Fe, and Foothills-D'Anza all enjoy a national reputation.

However, since smaller, less well-known colleges have also attracted significant private support, local perceptions of the institution may be more important than a national reputation. In a profile of nine community college foundations compiled by Angel and Gares [1981b], the 17 year old foundation associated with Sheridan College in Sheridan, Wyoming, reported an annual income of \$680,000 for 1978-80. Southeast Community College in Lincoln, Nebraska, reported assets of \$3,849,628 six years after the incorporation of the foundation. In 1988-89, two small colleges, Dixie College (Utah) and the New Mexico Military Institute, were among the top-ten two-year colleges in total funds raised [Hendley, 1990]. Robison [1981] states that "the foundation works best against a background of excellent responsive programming and strong public relations" [p. 25]. Close identification with the local community and a clear mission based on community needs were considered important by Beckes [1982] and Robertson [1981].

Not having the typically newsworthy research and medical breakthroughs of graduate institutions, nor the rah-rah football teams, nor, as yet, any distinguished alumni because of our youth, what do we have to sell? Perhaps in its very difference the community college has one of the strongest cases possible—its close identification with the immediate community and service to the community [Robertson 1981, p. 341].

Although Loessin et al [1987b] found a low correlation between total voluntary support and regional variables which he defined as major corporations and foundations in the area, direct linkages with corporations on a local level may be of particular importance to community colleges since

they receive a greater portion of their support from corporations than do private colleges. In 1988-89, corporate gifts represented 32 percent of all voluntary support for public colleges as compared to 16.2 percent at private colleges [CFAE, 1990].

According to Camper, Trautmann, and Wiesenfeld [1989], corporate executives cite self-interest as an important factor which influences giving decisions. Smith [1981] suggested that while charitable contributions reduce taxable corporate profits, contributions to education represent an investment that will yield a future benefit. Traditional corporate giving patterns confirm the self-interest theories of Smith and Camper, et al. In 1988-89, public and private research universities received approximately \$1.2 billion in corporate support. According to a survey of 1,132 conducted by CFAE, this presents 64 percent of all gifts from corporations and businesses reported by the participating colleges [McMillan, 1990]. Ryan [1988a] cited a study by Pokrass of 2,300 corporations which showed a significant potential for corporate contributions to two-year colleges if community colleges learned to use alumni as liaisons with the corporate sector and to direct their appeal to local companies whose interests were similar to the college's. Wise and Camper [1985] saw local corporations who benefit from training programs as possible donors to the college. According to Brillingham and Pelluzzo [1990], corporations which support community colleges do so because they view the college as an integral part of the community, capable of training current and future employees as well as educating the children of their employees. Edward Siebert, president and manager of the Caterpillar Foundation, cited "mutual interest" as the reason for gifts of \$50,000 to nine community colleges for the purpose of improving diesel technician programs [Nicklin, 1990].

Other geographic factors not considered by Loessin et al [1987b] may influence fund raising success. Bremmer [in Duffy, 1982] found that New York was the single best state for philanthropic support and that the middle Atlantic states generated the greatest total average funds given to colleges. Sharron [in Duffy, 1982] felt that being in a community with other colleges was an asset since people were accustomed to giving to higher education. Public two-year colleges in Florida have an added incentive to raise private funds as a result of an act by the Florida legislature. In July 1983, Florida legislature established the Florida Academic Improvement Trust Fund and passed an initial appropriation of \$1.5 million to provide matching funds for private support to community colleges. Colleges which raised \$10,000 more than the average raised in the base period were eligible for a 60/40 match from state funds [Wise and Camper, 1985]. In 1983, Florida community colleges raised \$1.5 million and sought an appropriation of \$2 million for 1984 [Crowson 1985]. Four of the colleges on Ryan's [1988b] top ten—Miami-Dade, Santa Fe, Edison, and Valencia—are located in Florida. Four Florida colleges—Miami-Dade, Valencia, Broward, and Edison—also appeared in the 1988-89 top-ten list. Each reported more than \$1.5 million in voluntary support [Hendley, 1990].

The success of the Florida Academic Improvement Trust Fund has attracted the attention of law makers in at least one other state. The Massachusetts Senate Post Audit Committee [1990] in its report on endowment development in Massachusetts recommended that the legislature "...provide matching dollars to stimulate fund raising and endowment development. Specifically, the program should encourage donations from alumni groups, corporate sponsors, and attract new donors..." [p. 34-35] In support of their recommendation, the committee cited the effect

of a one-time legislative appropriation of \$100,000 in 1982 to encourage public colleges in Massachusetts to seek alumni support. Today, ten of the 13 colleges which participated in that program report foundation assets of more than \$500,000.

Community colleges experience different patterns of donor support. Private two- and four-year colleges receive significantly higher levels of support from alumni than do public colleges. Loessin, Duronio and Borton [1987a] found that the median level of total alumni support for the two-year public colleges that participated in their study was \$895, while private two-year colleges reported \$53,169. According to a survey of 1,132 colleges by CFAE, private colleges received donations from 28 percent of the alumni they solicited in 1988-89 as compared to 18 percent for all public colleges. Public two-year colleges solicited less than 15 percent of their alumni and received contributions from 11 percent of those solicited [McMillan, 1990].

Loessin et al [1987b] found that corporate gifts have a higher correlation with the number of living alumni and enrollment than other factors. While collectively community colleges enroll over 46 million students [The Nation, 1990], the majority of two-year public colleges serve less than 5,000 students. Few community college alumni are corporate decision makers. More important, many community colleges have not kept track of alumni and so are unable to identify alumni who might be able to influence corporate giving.

While institutional characteristics do not necessarily limit a college's potential for successful fund raising, most community colleges do not exhibit the characteristics associated with high levels of support identified by Loessin, et al [1987b]. Community colleges have a less complex mission than other institutions of higher education. They tend to be younger, smaller and less

affluent than private or public four-year colleges. Perhaps the most inhibiting factor is that many community colleges are still influenced by Sharron's [1982] "myths" and consequently approach fund raising in a tentative, low key manner. As Stefurak [1982] points out, community colleges may not know how to effectively market their foundation.

Lack of longevity [most community colleges are not more than twenty-five years old] and limited constituencies have created an environment different from that of four-year institutions. The most significant factor in the struggle to be successful has been that community college administrators have not completely understood how to market their foundation. [p. 230]

In order to achieve success, community colleges may have to develop their own unique approach to fund raising rather than attempt to replicate the methods used by other larger, more affluent and more successful four-year colleges. Success may be better measured in terms of the giving potential of the community and the impact on the institution than comparisons with other colleges.

While it is tempting, and much easier, to evaluate a foundation's success by looking at the size of its income and assets alone, the extent to which the foundation contributes to the achievement of the college's goals must also be examined.... The measure is not "have we raised as many dollars as 'Old Siwash' Community College?" but rather "how have we done relative to the giving potential of this community?" [Robison 1982, p. 36-37]

Duffy's [1979] findings regarding the characteristics of a successful foundation which emphasize public relations and community linkages rather than raising large sums of money may more accurately describe the purpose of a foundation in its early stages since they reflect Sharron's [1982] theory of community college fund raising which emphasizes that colleges should raise

friends before they attempt to raise funds. Duffy's findings, later confirmed by Glandon [1987], are compatible with a high community profile which Ryan [1988a] identified as one of the characteristics exhibited by the ten most successful community college foundations. In the initial stages of developing a fund raising capability based on local support, public relations and image may be the critical first step.

Institutional Commitment

Simply organizing a college-related foundation sends a signal to the community that the college is seeking private support. A national survey conducted by Luck and Tolle [1978] found that although less than half of the community colleges surveyed participated in some kind of fund raising, those with a foundation had accumulated significantly more philanthropic gifts.

McNamara [1989] stated that "the number one reason that community colleges don't raise more money is that they don't ask for it" [p. 167]. A significant number of community college foundations do not ask for gifts. Many community college foundations are dormant or inactive. Sharron [1982] estimated that not more than 50 two-year colleges had effective and aggressive private resource development efforts although 650 community colleges had organized a foundation. In a study of 156 community colleges in the Southeast conducted by Duffy [1979], only 38 met his modest criteria for an active foundation. He categorized as active, a foundation which raised \$1,000 per year during the period 1976-78, \$5,000 total over the same period, and sponsored at least three activities such as mailings, scholarship awards, and receptions each year. Glandon [1987] analyzed foundations associated with 284 community colleges across the country and found that only 227 colleges met his criteria for active foundations which were even less stringent than

Duffy's. Glandon considered the foundation to be active if it sponsored one fund raising or one friend raising [public relations] activity in 1984. He did not require that a foundation raise any funds in order to be considered active. Twenty of the foundations included in his study did not receive any cash or in-kind contributions. Glandon limited his study to community colleges who were members of the National Council for Resource Development (NCRD), an affiliate council of AACJC composed of development officers and presidents of two-year colleges. Since membership in NCRD provides some evidence of interest and participation in development activities, these colleges are more likely to actively pursue private support than nonmember colleges.

More recently, the Chronicle of Higher Education [September 1986] estimated that 700 community colleges had created foundations. However, a survey of 82 foundations associated with two-year colleges [Eastern Association of College and University Business Officers (EACUBO) 1988] found that only 52 (63 percent) foundations reported having an annual fund raising campaign in 1987-88.

It is likely that the failure to ask for support is the primary reason why community colleges receive only slightly more than one percent of the total voluntary support for higher education. The mere existence of a foundation is not sufficient to attract a significant level of private support. There must be an institutional commitment to use this vehicle to secure support.

Institutional commitment begins with the governing board. Although the board of trustees of a community college is not usually involved in fund raising, trustee support must extend beyond simply endorsing the foundation's use of the college's name. The governing board must also appropriate adequate resources to support an effort to raise funds [Farley, 1986;

McNamara, 1989]. Typically, one or more trustees serves on the board of directors of the foundation. Worth [1982] found that members of the college governing board were represented on 53.3 percent of the four-year public college foundations which he studied. He found that the presence of trustees on the board of directors of the foundation facilitated communication between the two groups. Trustees can also set an example for other donors. Farley [1986] urged trustees to set an example by giving themselves, and McNamara [1988] concluded that trustees should demonstrate their commitment to the college by giving to the foundation.

While trustees must act to endorse the foundation and allocate sufficient resources to support a fund raising effort, there is strong agreement that the involvement of the president is crucial to the success of any effort to raise funds. The president is responsible for securing the endorsement of the trustees and convincing them to allocate scarce resources for an effort that may require several years of effort before there is a significant return on the investment [McNamara, 1989].

According to Robertson [1982] the commitment of the president is vital to success.

If one accepts the principle that private support for the two-year college is necessary, the remaining question is: Can it be obtained? If and only if the president is committed to a program of private fund raising, the answer is yes; if the president is not so committed, the answer is no. [p. 90]

Kopecek [1983] suggested that the president must consider fund raising and image making as an important part of his or her daily work if the foundation is to be successful. Serving on the board of directors, interpreting the college's needs to the foundation and its donors, and endorsing the use of

college staff to provide support for the foundation are ways in which the president can aid the foundation. Evidence of the president's involvement will motivate faculty, staff, and friends of the college to become involved as well [Robertson, 1982]. McNamara [1988] in her dissertation, "Characteristics of an Effective Two-Year College Private Fund Raising Program," concluded that the active president was vital to any fund-raising effort.

The president is the pivot point around which an effective two-year private fund raising effort turns. His or her primary role as a chief executive officer should be: providing direction for the institution; developing a strong committed leadership team of administrators and volunteers; and generating financial support for the college/university by the selling of his or her institution—its programs and its future to the public. As such the president must be sufficiently committed to his or her college to serve as a fund raising solicitor, or the fund raising effort will be only marginally successful. [p. 58-59]

Community college presidents suggest that the commitment of the president must be demonstrated by personal participation in fund raising activities. David Daniel [1988], the former president of Wilkes Community College, emphasized that key donors expect to be approached by the president.

The president is a well-known, visible leader who represents the college wherever he [sic] is and whatever he [sic] does.... In local fund raising efforts, key members of the community expect to be contacted by the president. The president is perceived as the educational leader, the chief executive officer, and the catalyst for institutional initiatives. [p. 72]

David Bartley [1988], president of Holyoke Community College, stated that the president's participation in fund raising activities is critical both in terms of presenting an effective appeal and motivating other fund raisers.

Yet no matter how efficient or committed the development officer or the board member may be, the president's personal involvement is crucial. In the mind of the community, the president represents the college. No one can make a more convincing presentation about institutional needs or future goals. Even more important, prospects capable of making significant gifts may feel slighted if the president is not involved. They expect to be approached by the president and want and deserve my personal attention... Consider as well the effect of a president who delegates this role. No one particularly enjoys soliciting contributions, and few community college presidents are trained fund-raisers. However, the president who delegates the fund-raising role sends a message that others will interpret as a lack of commitment. Even the most enthusiastic and dedicated board member will soon lose interest in fund raising if the president abdicates the leadership role. [p. 45]

Worth [1982], in a study of 100 four-year public college foundations, found that the leadership of the president is the single most important factor in making the foundation a success. Brillingham and Pelluzzo [1990] pointed out that the relationship of the president to the fund raising program was a commonly used indicator of how important the fund raising effort was to the college. They cited the work of Glandon [1987] and Steinburg [1984] and suggested that: "While no single best organizational pattern appears overall, at smaller institutions, the direct involvement of the president in making calls on prospective donors has some predictive power for success." [p. 24]

While there is strong agreement that presidential commitment and leadership are vital to the success of the foundation's efforts to raise funds, there is also evidence that community college presidents may be unprepared for this role and unwilling to accept it. Sharron [1982] suggested that community college presidents were not prepared to deal with the private sector and attributed the lack of success in fund raising to the training of college presidents.

The problem [how to go about soliciting funds] was identified as one that directly lay with the presidents of community colleges who had been thrust into an entirely new arena without a proper perspective of the business community and potential individual donors. For the most part, this lack of understanding and experience was not the fault of the community college presidents. Rather it lay at the door of the educational administration programs in the senior and graduate universities through which many of these educational leaders had obtained their professional training. Likewise after a three to seven year educational experience at different management levels within the two-year college, the prospective community college president did not have the opportunity to perceive any direct relationship between the college and the private sector. [p. 300]

Robertson [1982] also felt that the failure of community college foundations to achieve their full potential was due, at least in part, to the fact that few community college presidents had come from a background that included experience in private fund raising. David Robertson [1989] president of Edison Community College, one of the top ten colleges identified by Ryan [1988b], confirmed that fund raising was not part of the training of a community college president since during the 1960's most Kellogg Foundation programs to prepare community college presidents did not include fund raising.

Recent studies on community college presidents provide no evidence to contest the observations of Robertson, Sharron, Stefurak, and Robison. Vaughn [1986] found that 77 percent of the 590 community college presidents who participated in a Career and Lifestyle survey had their highest degree in education. In tracing the pathway to the presidency, Vaughn found that approximately 38 percent of the community college presidents had previously served as chief academic officer. While other pathways such as provost, community services and student services were identified, development was not specifically cited. Development, or development-related positions, was

not identified as a position previously held by two-year college presidents in a survey conducted by Moore, Twombly and Martoranna [1985].

The role of the president extends beyond leadership and direct participation in fund raising activities. To a great degree, the president determines the impact of private support. Through special campaigns and the distribution of unrestricted gifts, the foundation generates new resources to address those institutional needs identified by the president. Few board members are likely to have personal knowledge of institutional needs and so the board relies on the recommendations of the president. In essence, the foundation provides discretionary funds which can be used to implement the president's vision of the institution. The extent to which institutional personnel help identify and prioritize projects for external support is determined by the president's management style. The priorities of the president may not always reflect the most critical institutional needs. There have also been allegations of the misuse of foundation funds. Two presidents of public colleges have resigned in the last two years following allegations that foundation funds were spent improperly. At another college, a donor plans to request that a gift be returned as a result of the possible misuse of a bequest [Frostburg, 1990].

An institutional commitment to fund raising is also demonstrated by providing professional staff to coordinate support for the foundation's efforts to raise friends and funds for the college. According to Robison [1982], a foundation director is essential. Although this need not be a full-time position, an individual must be able to devote a major portion of his or her time to providing support for the board of directors. Support might include the preparation of promotional materials, training in fund raising techniques, and planning foundation-sponsored special events. While Robison reported

that the colleges she studied used various methods to provide staff support "...there were no successful foundations which failed to provide such support" [p. 45].

McNamara's [1988] findings also supported Ryan and Robison's conclusions on the importance of adequate staff support. She concluded that while the president was responsible for inspiring and generating commitment on the part of the directors and volunteers, the chief development officer was responsible for maintaining motivation and commitment by providing direction for the board through a well planned institutional development program. McNamara concluded that the chief development officer in a successful private fund raising program "...must be an effective administrator, be capable of providing leadership for key volunteers, be an excellent manager, be a person of integrity, and be personally competent in the solicitation of funds" [p. 59].

Picket [1981], in a study of 94 private colleges, found that those institutions which achieved more than average success in fund raising employed more professional staff in all advancement related areas.

Woodbury [1989] stated:

The success of a foundation is directly proportional to the staff resources allocated by the college... Foundations with a full-time executive director have been much more successful than those relying upon part-time leadership or the 'borrowed' time of a development officer also responsible for other duties such as grant writing, alumni affairs, and public relations. [p. 176]

"A professional person that works with the president to establish a fund raising plan" was ranked fifth on a list of 22 conditions influential in fostering success by respondents to Duffy's [1979] study. Glandon [1987] found

that 50 percent of the foundations that raised \$50,000 or more had a staff person. A study of fund raising costs at public and private colleges conducted by CASE and CFAE found that average full-time professional staff members raised \$983,113. When support personnel were included, each member of the fund raising staff raised \$512,630 [Greene, 1990].

Although the research supports the importance of staff support for fund raising, community colleges have only recently begun to establish a resource development capability. Resource development generally encompasses federal and state grants, grants management, alumni, and private fund raising. Some institutions also define institutional research and marketing/public relations as advancement or development functions. McCain [1975] found that only 64.1 percent of the 1,100 two-year colleges (803 responding) were engaged in any form of resource development. Approximately 50 percent of the two-year colleges with a development capability did not devote a full-time position to these activities. Sharron [1982] reported that only 400 of the 1,040 public two-year colleges have a dean or director of development. However, a more recent survey of two-year colleges in 12 eastern states [EACUBO, 1988] found that 76 (79 percent) of the 96 public colleges and 19 (73 percent) of the 26 private colleges have a development office. Colleges responding to the EACUBO survey identified multiple functions for the development office including grants, public relations, marketing, and grants/contract administration. Seventy-five colleges identified private fund raising as a function of the development office. Further evidence of increasing support for resource development can be found in the membership growth experienced by the National Council for Resource Development (NCRD). An affiliate council of AACJC (American Association of Community and Junior Colleges) NCRD membership includes

two-year college presidents, development officers, and other two-year college faculty and administrators with responsibilities for resource development. In 1990, 1,116 individuals were members of NCRD [1990].

Since development encompasses other activities beside private fund raising, the presence of a development officer is not indicative of the amount of time or effort the college has committed to soliciting private support. Sharron [1982] found only 24 individuals who devoted all of their time to the community college foundation. Many of these individuals were actually part time, semi-retired professionals, former college presidents, and retired business leaders. While 48 of the 82 colleges participating in the EACUBO survey reported having an executive director of the foundation, it is likely that many of these individuals also had other responsibilities since only 13 colleges reported the position was totally or partially funded by the foundation. There is some evidence of greater institutional support for fund raising. While Sharron [1982] found only 24 individuals with the title of executive director of the foundation in 1982, the NCRD 1990 membership directory includes 46 individuals with that title.

The research of Loessin, Duronio, and Borton [1987a] showed that public two-year colleges devoted less than a full-time position to corporate and non-alumni fund raising while private two-year colleges reported 1.4 positions, and public comprehensive colleges reported 2.9 positions devoted to securing funds from these sources. The EACUBO [1988] study also showed that private two-year colleges provided more staff support for development than did public colleges.

Although Robertson [1982] and McNamara [1989] emphasize that "it takes money to make money," and McNamara [1988] concluded that "without an adequate budget the effectiveness of a two-year college private fund raising

program will be severely hampered" [p. 59], there is little current data available on what community colleges currently spend on fund raising or what could be considered adequate. Luck and Tolle [1978] found that 119 of the 191 two-year colleges that provided data on fund raising expenses spent less than \$2,500, exclusive of salaries. More recently, a three-year study of fund raising expenditures at 51 public and private colleges conducted by CASE and CFAE reported that the average college spends 16 cents (including salaries) to raise \$1 [Greene, 1990].

Loessin, Duronio, and Borton [1987b] found a high correlation between fund raising expenditures (including salaries) and total voluntary support. According to their research, public two-year colleges spend significantly less on fund raising than other types of institutions. The median expenditures for fund raising directed at non-alumni by two-year public colleges was \$18,047, and \$10,958 was the median for corporate fund raising. Public comprehensive four-year colleges reported fund raising expenditures of \$51,731 for non-alumni donors and \$23,379 for corporate donors. The median level of support from corporations received by four-year public comprehensive colleges was three times that received by two-year colleges although total expenditures were only slightly more than double. Although private two-year colleges spent less on fund raising than did comprehensive four-year public colleges, they spent and received significantly more than public two-year colleges.

Table 2.2

Medial Levels of Support and Fund Raising Expenditures*

	NON-ALUMNI DONOR		CORPORATIONS	
	MEDIAN SUPPORT	F.R. EXP.	MEDIAN SUPPORT	F.R. EXP.
Four-Year Public Comprehensive	\$166,759	\$51,731	\$100,302	\$23,379
Two-Year Private Colleges	140,081	30,000	63,538	20,291
Two-Year Public Colleges	18,133	18,047	33,200	10,958

In summary, the research suggests that community colleges have failed to attract significant support because the institutional commitment to private fund raising is weak. The majority of foundations are inactive or do not solicit funds in an organized manner. Although community college presidents may be supportive of the concept of a foundation, most are unprepared to personally engage in fund raising activities. In addition, when compared with other types of institutions, community colleges devote significantly fewer resources to fund raising.

Board of Directors of the Foundation

Most public colleges are governed by an elected or appointed board of trustees. In most cases, the official governing board of a public college or university is appointed or elected. While private institutions carefully select trustees who are influential in the private sector and personally affluent, public college boards are more likely to be composed of individuals who have political influence [Pray in Crowson, 1985]. Public college trustees may be more concerned with representing a specific constituency or overseeing the use of public monies than serving as advocates for the institution [Worth,

* Loessin et al [1987b, p. 24]

1989]. However, a college-related foundation provides an opportunity for a public college to select as board members individuals of influence and affluence who are interested in the institution and willing to participate in fund raising. According to McNamara [1989], board members of a community college foundation should "...be just as influential, prestigious, wealthy and caring about the college as are trustees for major universities" [p. 162].

A well-chosen foundation board provides credibility for the foundation and the college. The 25 two- and four-year college development officers who participated in McNamara's [1988] study of effective community college foundations considered "a committed and influential board of directors" the most important idea or strategy in a two-year college fund raising program. Her findings confirmed the research of Degerstedt [1982] who found that "careful selection of board members" ranked first in a list of suggestions to ensure the success of a foundation. Conversely, "not choosing the right people for the foundation board" ranked first in a list of pitfalls to avoid.

The primary role of foundation board members is to raise funds through personal solicitation or the identification of potential donors. The 184 community college development officers who participated in Crowson's [1985] study of boards of directors of community college foundations identified eight roles and responsibilities for foundation board members. More than 80 percent of the participants in her study agreed on five roles and responsibilities.

Table 2.3

Duties of Board Members of Foundations*

DUTY	% OF RESPONDENTS IDENTIFYING
Identify Potential Donors.....	92.2%
Nominate and Appoint New Board Members	88.0%
Solicit Funds.....	87.5%
Make Policy	84.2%
Promote Purposes and Image of the College	81.5%

Woodbury [1973] identified communication with local leaders, advice on matters relating to solicitation of funds, assistance in the management of funds, setting priorities for foundation support, identifying community needs which may be met by the college, and willingness to contact prospective donors as the roles and responsibilities of the board of directors. Board members should also be donors. According to McNamara [1989], "Board members must be able and willing to give major gifts and/or raise them from others" [p. 162].

There is strong agreement that board members should be affluent individuals who are highly visible in the community. Woodbury [1980] suggested that board members should be "...in top level management with their hands on the purse strings of the corporations they direct" [p. 18]. Sharron [1982] stated that board members should be "...people who have money, have access to money, or who manage money for others" [p. 309]. Lake [1981] proposed similar criteria but added that prospective members should feel that the college was making an impact on the community and be willing to put forth considerable effort in fund raising. According to Kopeck [1983], excellent

* Crowson [1985, p. 60]

board members come from all walks of life but share a few characteristics—they are busy, they have money or access to money, they tend to be mature, and they exert considerable influence with the power structure of the community. Robison [1982] suggested that the board include representatives of each of the power and money centers which exist in the college's service area.

Worth [1982], who studied board of directors of university-related foundations, identified three most used criteria for selection of board members: 1) Commitment to university goals; 2) Personal income and wealth; and 3) Position of influence in the business community. However, Worth suggested that "commitment to university goals" was a "motherhood" item that reveals little and so concluded that foundation board members are selected for their influence in securing corporate gifts and their capacity for personal giving. Respondents to Crowson's [1985] study of boards of directors of community college foundations provided a ranking of criteria for selection of board members that confirmed the ideas of Sharron, Lake, Woodbury, and Worth.

Table 2.4

Criteria for Selection of Board Members
in Rank Order of Importance*

**CRITERIA FOR SELECTION OF BOARD MEMBERS
IN RANK ORDER OF IMPORTANCE**

- | | |
|---------------------------------|---------------------------------|
| 1) position in the community | 5) occupation |
| 2) public recognition | 6) history of charitable giving |
| 3) income | 7) alumnus of the college |
| 4) affiliation with the college | |

* Crowson [1985, p. 64]

While boards vary in size from 5 to more than 35 members, Crowson [1985] found that most boards consist of between 16 and 25 members. A study conducted by EACUBO [1988] of two-year college foundations in 12 eastern states found that 27 of the 69 colleges responding had foundation boards of 16 to 25 members.

There is little or no research which documents whether or not community college foundations have attracted individuals of influence and affluence to serve on the board of directors of the foundation nor the degree to which board members participate in the fund raising process as solicitors or donors. Although Worth [1982] found that individuals not associated with the institution comprised more than 50 percent of the total membership on 78.9 percent of the university-related boards he studied, individuals chosen for reasons other than influence or affluence may comprise a significant portion of the board membership. Luck [1976] found that faculty and staff were represented on community college foundation boards. Crowson [1985] reported that 9.7 percent of the board members listed their primary occupation as education. Trustees were members of 76 percent of the boards included in the EACUBO [1988] study, and 61 percent included one or more college administrators.

Crowson [1985] found that the majority of board members were male (78.9 percent), Caucasian (94.4 percent), and between 40 and 59 years of age (62 percent). Board members by occupations included: Business (50.5%), Retired (10.2%), Education (9.7%), Legal (7.1%), Volunteer/Civic Leader (5.8%), Banking (5.8%), and Medical (4.7%).

While Crowson's profile is compatible with the power structure of most communities, the occupational data does not provide any information about the influence or affluence of board members.

Worth [1982] found a relatively low level of personal involvement by board members in fund raising. At a majority of the institutions he studied (78.9 percent), less than a fourth of all foundation board members made an actual solicitation call in an average month. Crowson [1985] reported that 66.3 percent of the foundation board members were involved in fund raising activities over and above regularly scheduled board meetings but did not describe the nature or frequency of their involvement. She concluded that there was a direct relationship between the involvement of board members in fund raising activities and the amount of money raised and scholarships offered. However, she found no relationship between the involvement of directors in fund raising and total assets of the foundation.

While there is strong consensus that boards of directors are critical to the success of foundations and on the personal characteristics that colleges should seek in prospective board members, there is little research to substantiate their contribution to the success of the foundation. Low success community colleges may have failed to attract individuals of affluence and power or may not have motivated or prepared them to become effective fund raisers.

Conclusions

Community college foundations, like the colleges they support, are a relatively new concept. Created in the 1960's and 1970's, college-related foundations provided public colleges with a vehicle for soliciting private support. While foundations enabled public colleges to emulate the fund raising efforts of private colleges, the majority of public two-year colleges have not achieved

a level of support comparable to that enjoyed by private colleges and four-year public colleges. For most community colleges, the potential of a foundation has been unrealized. Many community college foundations are dormant or inactive groups which receive and manage gifts rather than solicit them.

Most community colleges lack sophistication in fund raising and do not commit sufficient resources to the effort. To a great degree, institutional commitment was and still is impeded by what Ryan [1988a] described as the four fears—rejection, competition, involvement, and cost. Until recently, many community college presidents were not convinced that private fund raising was an appropriate strategy for a public institution. On the basis of their education and training, few community college presidents were prepared to provide the leadership necessary to secure private support.

Many of the traditional fund raising methods used successfully by private colleges were and are inappropriate for the community college. The giving potential of alumni is limited by the youth of the institution and by the lack of records. Corporate support for the community college is dependent on strong local relationships that meet corporate needs rather than research.

The board of directors of the foundation provided an opportunity for colleges to attract a new group of affluent and influential volunteers to the college. However, lack of presidential leadership, staff support, and budgets to support fund raising may well have discouraged these new volunteers. While there is strong agreement on what characteristics board members should possess, there is little evidence to document that community colleges have attracted individuals who possess those qualities and characteristics to serve on the foundation boards.

There is strong evidence of a growing interest in and renewed commitment to private fund raising by community colleges. The success of large, well-known community colleges has been well publicized. Other smaller colleges have achieved moderate success, and community colleges have become increasingly aware that even a modest gift can make an impact on the institution. The membership growth demonstrated by NCRD as well as the increase of two-year college membership in CASE is a result of both an increase in the number of two-year colleges which have instituted a resource development capability and the number of individuals employed in the development office. Increased awareness of successful efforts of large and small community colleges in rural as well as urban areas may enable community college leaders to overcome the "fears" described by Ryan [1988a] and Sharron's "myths" [1982] which have impeded fund raising efforts.

While community colleges have not yet established a tradition of private support, developing a fund raising capability and creating an environment receptive to the needs of the community college is an evolutionary process. The findings of Duffy [1979] and Glandon [1987], which emphasize public relations and community linkages as important characteristics of a successful community college foundation, may reflect the priorities of the initial steps needed to develop an appropriate climate for seeking private support. Increased staff support, the growing expertise of community college personnel, and the development through trial and error of successful strategies, may be characteristic of the next stage in the evolution of a community college fund raising capability. Although the majority of community colleges have not yet achieved significant levels of private support, successful models are emerging and a growing number of colleges are experiencing moderate success.

CHAPTER 3

METHODOLOGY

Design of the Study

This study was designed to enable the researcher to determine the level of fund raising success achieved by public two-year colleges in the Northeast, identify the characteristics of two-year colleges and foundations which have achieved above average levels of support, and to determine if a relationship exists between selected characteristics and the level of funds raised.

Participants in the Study

All accredited public, associate degree granting institutions in Connecticut (17), Maine (5), New Hampshire (7), Massachusetts (15), New Jersey (16), Rhode Island (1), New York (38), and Vermont (2) listed in the U.S. Department of Education Directory of Postsecondary Education were included in the study. Specific recipients of the questionnaire were identified by matching individuals listed in the 1990 NCRD membership directory with the list of institutions. When more than one individual from the institution was listed in the directory, the individual identified by title as the the director of the foundation or the most senior development officer was selected. State directors of NCRD in New Jersey and New York were asked to identify the development officers at colleges that were not NCRD members. When no development officer could be identified, the questionnaire was sent to the president of the college as listed in the 1990 AACJC membership directory.

Structured interviews were conducted with seven of the respondents who were associated with colleges which have achieved above average levels

of private support as measured by total funds raised. The institutional profile as reported by the respondent was reviewed to ensure that the colleges selected for participation in the interview component were representative of those reporting above average levels of support. Prior to conducting the interview, respondents who met the criteria and had indicated on the questionnaire that they were willing to consider participating in this phase of the study were sent a packet which included a cover letter explaining the material to be covered in the interview and the manner in which the interview would be conducted, an informed consent form, and a stamped, pre-addressed envelope. When the consent form was returned, the researcher telephoned the respondent to make an appointment for the interview. All interviews were recorded and later transcribed.

Development of the Survey Instruments

The survey instrument consisted of 23 questions. Most of the questions were original. However, the work of Duffy and Glandon was reviewed before constructing the instrument. The questionnaire (Appendix A) was reviewed by the researcher's committee in May 1990 and revisions were made. Four two-year college development officers who have experience with college related foundations reviewed the survey and suggested modifications. In addition, two individuals with extensive experience in educational and economic research also suggested changes in the structure of the questions and the instrument. The survey reflects the comments of these reviewers.

The survey instrument consists of five parts. Part 1 requests the title of the individual completing the survey and Question 1 asks if the college has an affiliated charitable foundation. If the college did not have a foundation, the respondent was instructed not to complete the remaining questions and

to return the instrument in the enclosed envelope. Respondents who indicated that the college had established a foundation, were asked to complete the questionnaire.

Part 2, Institutional Profile (Questions 2 through 5), requested information on the type of institution, enrollment, and the population in the service area.

Part 3, Foundation Profile, requested information on the foundation. Question 6 asked the year of incorporation of the foundation. Questions 7, 8, and 9 were designed to determine if the foundation met the criteria for an active foundation. Information on the total funds raised in these last three fiscal years and the value of total assets at the end of the last three years was requested in Questions 10 and 11. Questions 12 and 13 were designed to determine if the foundation employed personnel to support its activities and the level of financial support for other fund raising expenses.

Part 4, Institutional Support for the Foundation, was designed to collect data on institutional support for the foundation. Questions 14a and 14b requested information on professional and clerical staff employed by the college who provided support for the foundation. Questions 15 through 18 related to the nature and level of participation by the president in the foundation and in fund raising. Information on financial support for fund raising was requested in Questions 19 and 20. Question 21 asked if key individuals and groups had participated in workshops and conferences sponsored by professional organizations such as CASE, NCRD, or NSFRE.

Part 5, Fund Raising Strategies, was designed to determine the fund raising methods used, identify those that had been found to be the most effective, and to identify the donor groups that had provided the most support over the last three years. Question 22 asked the respondent to

identify the various fund raising methods used by the foundation from a list of nine methods identified in the literature. The respondent could also add other methods to the list. The respondent was then asked to rank the methods used on the basis of the total funds raised. Question 23 asked the respondent to rank a list of seven donor groups identified in the literature on the basis of the total funds contributed by each group.

At the end of the questionnaire, respondents were informed that the researcher planned to conduct interviews with seven individuals. Those respondents who were willing to consider participating in the interview stage of the study were asked to fill in their names and telephone numbers.

Telephone interviews were conducted with seven respondents associated with colleges which achieved above average levels of private support as measured by total funds raised. The purpose of the interview was to confirm responses to the questionnaire and to elicit in-depth information on the factors that contributed to fund raising success. An interview guide (Appendix G) was developed to organize and record responses. The guide was reviewed by the researcher's committee in May 1990. Two experienced development officers associated with community colleges not included in the study participated in mock interviews and made suggestions on the nature of the questions and the structure of the interview. The interview guide was modified to reflect the suggestions of the researcher's committee and the participants in the mock interviews.

The interview consisted of four open-ended questions. The first question asked the respondent to explain how various donor groups, institutional factors, foundation or college personnel, and particular fund raising strategies contributed to their fund raising effort over the last three years. Question 2 was designed to elicit information of the source of college

resources used to support fund raising. Question 3 requested information on the amount of time that professional and clerical personnel devoted to fund raising. Question 4 addressed the role of key individuals other than paid staff in direct solicitation of funds. Participants were encouraged to provide examples of how particular strategies proved to be successful, as well as how particular individuals or groups contributed to the fund raising effort.

Collection of the Data

Packets were mailed to 101 institutions on January 3, 1991. Each packet included an introductory letter (Appendix B) which explained the purpose of the study, a letter of endorsement from the President of the National Council for Resource Development (NCRD), Dr. Thomas Henry (Appendix C), a questionnaire, and a stamped, pre-addressed return envelope. Fifty-two colleges responded to the original mailing. Of this number 50 contained usable data. Two respondents indicated that lack of personnel prohibited them from participating in the study. A second mailing to nonrespondents which included a letter urging the recipient to complete the survey (Appendix D), a copy of the questionnaire, and a stamped pre-addressed envelope was sent on January 25, 1991. Twenty-two colleges responded to the second mailing for a total of 72 useable questionnaires.

Information on the age of the institution was obtained from the AACJC 1990 membership directory.

Telephone interviews were conducted with seven respondents who were associated with colleges which had achieved above average levels of private support as measured by total funds raised. Three of the institutions were located in New York, two in New Jersey, one in Massachusetts, and one in Connecticut. Six were community colleges, and one was a

vocational/technical college. Each interview lasted approximately 30 minutes. Interviews were recorded and later transcribed. An interview guide (Appendix G) was used to categorize and tabulate responses.

Treatment of the Data

Responses to the survey were tabulated by the researcher on a micro-computer. The computer software program Microsoft EXCEL was used to develop individual screens to tabulate each question, cross tabulate responses by state and, where appropriate, calculate the percentage of institutions who selected a particular response. StatView, a computer software program developed by Brain Power, Inc., was used for further data analysis.

The data gathered by the survey were analyzed using the following methods:

- 1) To determine the percent of two-year public colleges in the Northeast have active foundations the following steps were taken. Only those colleges (61 institutions) that indicated that the college had established a charitable not-for-profit foundation were included in the analysis. The responses of that group were tabulated to identify those institutions which met the criteria for an active foundation; held a meeting of the board of directors in each of the last three years (1987, 1988, 1989); received \$3,000 or more in gifts and contributions in any one of those years; and actively solicited funds in any one of those three years. Institutions which met all three criteria were designated as having active foundations. The percentage of active and inactive foundations was then calculated.
- 2) To determine the level of fund raising success achieved by two-year public colleges in the Northeast during the period July 1, 1987, to June 30,

1990, the following steps were taken: the total funds raised by all institutions in each of the years included in the study (1987, 1988, 1989) and total funds raised during the three-year period by each individual institution were determined. The mean and median were determined based on the number of respondents who provided data in each year. The three-year mean and median were based on the total number of colleges which provided data in any one of the three years. The percentage of growth in total assets was determined by comparing reported assets in 1988 with reported assets in 1987 and reported assets for 1990 with reported assets in 1988. Only those institutions (43 colleges) which reported the value of total assets for each of the three years were included in the calculation.

- 3) To determine how two-year colleges that have attracted above average levels of support as measured by total funds raised differ from two-year colleges that have received below average levels of support the following steps were taken. Respondents were divided into two categories. Those who had reported total funds raised over the three-year period which equaled or exceeded the mean were classified as high success and low success. Institutions which reported that total funds raised over the three-year period were less than the mean for all respondents were classified as having achieved below average levels of success. A chi square test using an 0.1 significance level was used to test the following hypotheses: a) Enrollment Hypothesis; b) Population in the Service Area Hypothesis; c) Age of the Institution Hypothesis; d) Age of the Foundation Hypothesis; e) Nature of the Institution Hypothesis; f) Level of Financial Support from the College Hypothesis; and g) Level of Financial Support from All Sources Hypothesis.

- 4) To determine the characteristics of those two-year colleges and foundations which have achieved above average levels of support as measured by total funds raised, the following steps were taken. To determine the level of staff support, the mean and mode of the total number of full-time equivalent personnel employed by the foundation and the institution was determined for above average and below average institutions. To determine the involvement of the president in fund raising activities, a frequency distribution of the responses to Questions 15 (service on the board of directors), 16 (attendance at board meeting), 17 (personal solicitation of funds), and 18 (number of solicitation calls) was compiled for institutions identified as above average and below average. To determine the level of financial support for fund raising, a frequency distribution of the responses to Questions 13 (foundation support) and 21 (institutional support) was compiled for institutions classified as above average and below average. To determine the types of fund raising strategies used, a frequency distribution of responses was compiled. A weighted ranking of the effectiveness on the strategies was compiled by assigning values to each rank. Since most institutions reported using no more than six different methods, six points were assigned to a ranking of 1, and one point was assigned to a ranking of 6. No points were assigned to rankings higher than 6. Data on fund raising strategies are reported by colleges classified as high success and those classified as low success. To determine the sources of support which generated the most funds during the period, a weighted ranking of sources of support was compiled. Seven points were assigned to a ranking of 1 and one point was assigned to a ranking of 7. Data on sources of support are reported

for all respondents classified as high success and respondents classified as low success.

Telephone interviews with the directors of seven high success fund raising programs were analyzed to identify those factors which enabled the college foundation to raise above average levels of private support. Each interview was carefully reviewed and the response categorized on the basis of the degree to which the director found them to be significant to the fund raising effort. Responses were then tabulated to determine areas of agreement or disagreement among the seven individuals interviewed. Since this component of the study was designed to provide insights as to why particular factors were important or not important to the overall success of the fund raising effort, explanations and examples of achievements and/or failures were compiled to illustrate how various factors or individuals contributed to success.

CHAPTER 4

ANALYSIS OF THE DATA

Purpose of the Study

The purpose of this study was to collect baseline data on the level of support that college-related foundations have provided for two-year colleges in the Northeast and to identify the characteristics of those colleges and foundations which have attracted an above average level of support.

The study was designed to answer the following questions:

- 1) What percent of the two-year public colleges in the Northeast have active foundations?
- 2) What level of fund raising success have two-year public college foundations in the Northeast achieved during the period July 1, 1987, to June 30, 1990, as measured by funds raised and growth in total assets?
- 3) How do two-year colleges that have attracted above average levels of support as measured by total funds raised differ from two-year colleges that have received below average levels of support in respect to the following variables: a) enrollment; b) population in the service area; c) age of the institution; d) age of the foundation; e) nature of the institution (technical or community college); f) level of financial support from the college for fund raising; and g) level of financial support for fund raising from all sources?
- 4) What are the characteristics of those two-year colleges and foundations which have achieved above average levels of support as measured by total funds raised? The specific characteristics being assessed are: a) involvement of the president in fund raising activities; b) the level of

staff support; c) fund raising strategies used; and d) sources of private support.

Data was collected by means of questionnaire which was mailed to 101 public two-year colleges in Connecticut (17), Maine (5), New Hampshire (7), Massachusetts (15), New Jersey (16), Rhode Island (1), New York (38), and Vermont (2). The questionnaire was organized into five sections. Part 1 asked if the college had established an affiliated, charitable foundation. Only those colleges which had an affiliated foundation were asked to complete the remaining sections of the questionnaire. In Part 2, respondents were asked to complete a series of four questions which described the type of institution, the enrollment, and the size of the college's service area. Part 3 requested information on the college-related foundation including the funds raised and the assets of the foundation in fiscal years 1988, 1989, and 1990. Information on institutional support for the foundation was requested in Part 4, and Part 5 asked the respondents about the fund raising strategies used by the foundation.

Representatives of seven two-year colleges which had raised total funds above the average for all respondents participated in a telephone interview. Participants in the interview component of the study included representatives of three colleges located in New York, two in New Jersey, one in Massachusetts, and one in Connecticut. Six of the colleges participating in this portion of the study were community colleges and one was a vocational-technical college.

Table 4.1 shows 72 colleges responded to the survey for a response rate of 71.29 percent. Sixty-one colleges, 84.72 percent of the respondents, indicated that the college had an affiliated, charitable foundation. The percentage of respondents who indicated that the college had established a foundation was

significantly greater than that reported in the literature. Angel and Gares [1981a] reported that 62.5 percent of the 592 two-year colleges they surveyed had established a foundation. Ryan [1988a] estimated that 700 of the 1,200 two-year colleges (58.3 percent) had established foundations.

The majority of two-year colleges in Connecticut, Maine, Massachusetts, New York, and New Jersey have established foundations. However, no two-year public college in Vermont or New Hampshire reported having a foundation.

Table 4.1
Respondents

STATE	AFFILIATED FOUNDATION	NO FOUNDATION	NO RESPONSE	TOTAL
Connecticut	10	1	5	16
Maine	3	2	0	5
Massachusetts	11	0	4	15
New Hampshire	0	4	3	7
New Jersey	11	1	5	17
New York	25	1	12	38
Vermont	0	2	0	2
Rhode Island	1	0	0	1
TOTAL	61	11	29	101
PERCENTAGE OF TOTAL	60.40%	10.89%	29.70%	100.00%

Only those colleges which reported having a foundation were asked to complete the remainder of the survey. However, not every respondent answered every question. Unless specifically noted, the number of colleges which did not respond to a particular question is reported and all percentages

are calculated on the basis of the total number of colleges (61) with foundations.

Two-Year Public Colleges in the Northeast with Foundations

Table 4.2 shows that 51 colleges had foundations which met the criteria for an active foundation which were established by the researcher. An active foundation is defined as one which held a meeting of the Board of Directors in 1987, 1988, and 1989; raised \$3,000 in any one of those years; and actively solicited funds in any one of those years.

Table 4.2

Active and Inactive Foundations

STATE	ACTIVE		INACTIVE		TOTAL
	NUMBER	PERCENT	NUMBER	PERCENT	
Connecticut	7	70.00	3	30.00	10
Maine	1	33.30	2	66.70	3
Massachusetts	8	72.70	3	27.30	11
New Jersey	10	90.90	1	9.10	11
New York	24	96.00	1	4.00	25
Rhode Island	1	100.00	0	0.00	1
TOTAL	51	0.84	10	0.16	61

Although ten foundations (16 percent) did not meet the criteria of an active foundation, only two can be considered truly inactive since they were established before 1988. Eight colleges (13.1 percent) reported that the foundation had not been established prior to 1988 and, therefore, these can be better described as new foundations. Four of the colleges with new foundations reported that they had solicited funds and received at least \$3,000 in contributions in one or more of the years since they were organized, and

two reported receiving contributions of \$3,000 or more although they had not actively solicited funds. The remaining two institutions with new foundations reported that the foundation had been established in 1989 and had not solicited nor received any funds prior to June 30, 1990.

Table 4.3 shows the number and percentage of foundations established in the periods before 1960, 1960-69, 1970-79, 1980-85 and after 1985. According to the literature [Luck 1976, Angel and Gares, 1981a] the majority of two-year college foundations in the United States were established in the 1960's and 1970's. Public two-year colleges in the Northeast were slower to organize foundations. Twenty-seven colleges, 44.26 percent of the respondents, reported that their foundation had been established during the period 1980 to 1989. No two-year public college in the Northeast reported that it had established a foundation prior to 1960. Worth [1982] found a similar pattern in the establishment of foundations to benefit four-year public colleges and universities in the Northeast. According to his study, no college in the Northeast had established a foundation prior to 1950. Fourteen institutions (22.95 percent) reported that the foundation was established between 1960 and 1969 and 18 colleges (29.51 percent) reported that the foundation was established between 1970 and 1979. Eleven foundations were established after 1985.

Table 4.3
Foundations by Date Established

STATE	NO RESPONSE	BEFORE 1970	1970-79	1980-85	1986+	TOTAL
Connecticut	1	2	2	3	2	10
Maine	0	0	0	1	2	3
Massachusetts	0	2	4	2	3	11
New Jersey	0	6	3	1	1	11
New York	1	4	8	9	3	25
Rhode Island	0	—	1	—	—	1
TOTAL	2	14	18	16	11	61
PERCENTAGE	3.28%	22.95%	29.51%	26.23%	18.03%	100.0%

Summary: A greater percentage of the foundations established to benefit two- year colleges in the Northeast meet the criteria for an active foundation than did the foundations included in the study of 284 two-year colleges conducted by Glandon [1987]. Only 79.92 percent of the colleges which participated in his study had active foundations. An earlier study conducted by Duffy [1979] found that only 38 of the 156 colleges in the Southeast had foundations which were considered active. Unlike colleges in other sections of the country which developed foundations in the 1960's, most two-year colleges in the Northeast did not establish foundations until after 1970 and 44.26 percent of the foundations were established after 1980.

Funds Raised by Foundations

Table 4.4 shows the funds raised by two-year college foundations during the last three fiscal years and the total funds raised over that period. Three respondents did not provide data on funds raised during the period, and ten respondents did not provide data in all three years.

During the last three fiscal years (July 1, 1987 to June 30, 1990) two-year college foundations in the Northeast have raised a total of \$27,304,376. In FY88 (July 1, 1987 to June 1988), 47 colleges reported that their foundations had raised a total of \$7,769,962. Fifty-three colleges raised \$8,703,798 in FY89 (July 1, 1988 to June 30, 1989), an increase of 12.02 percent in total funds raised over the previous year. In FY90 (July 1, 1989 to June 30, 1990), with 56 colleges reporting, total funds raised increased by 26.54 percent to a total of \$11,013,363. In FY90, total funds raised were 41.74 percent greater than the total funds raised in FY88. Two-year colleges in New Jersey and New York have been more successful in raising funds than those in other northeastern states. The 24 colleges in New York raised a total of \$ 17,671,842, or 64.7 percent of all the funds raised by two-year colleges in the Northeast during the three-year period. The 22 foundations in Connecticut, Maine, Massachusetts, and Rhode Island raised a total of \$3,678,420 during the period, while the 10 foundations in New Jersey raised over \$6 million.

Table 4.4

Funds Raised

STATE	COL.	FY88 DOLLARS	COL.	FY89 DOLLARS	PERCENT INCREASE 88-89	COL.	FY90 DOLLARS	PERCENT INCREASE 89-90	TOTAL	PERCENT INCREASE 87-90
Connecticut	8	257,265	8	336,060	30.63%	9	382,392	13.79%	975,717	48.64%
Maine	1	50,000	2	52,000	4.00%	3	60,000	15.38%	162,000	20.00%
Massachusetts	8	577,727	11	896,258	55.14%	9	880,971	-7.71%	2,354,956	52.49%
New Jersey	9	1,127,347	11	1,862,437	65.21%	10	3,147,077	68.98%	6,136,861	179.16%
New York	20	5,701,937	22	5,491,536	-3.69%	24	6,478,369	17.97%	17,671,842	13.62%
Rhode Island	1	55,686	1	65,507	17.64%	1	64,554	-1.45%	184,747	15.93%
TOTAL	47	7,769,962	55	8,703,798	12.02%	56	11,013,363	26.54%	27,487,123	41.74%

Table 4.5 shows the average funds raised per institution in each state over the period July 1, 1988 to June 30, 1990. The average per institution in each of the three fiscal years was determined by dividing the total funds raised by all of the foundations in that state during the year by the number of institutions who reported funds raised in that year. The average funds raised per institution by state for the three year period was calculated by dividing total funds raised by all of the colleges in that state by the number of institutions who reported funds raised in any or all of the fiscal years encompassed by the survey.

New York ranked first in average funds raised per institution in FY88 and FY89. In FY90, the average public college in New York raised \$269,932. New Jersey colleges ranked first in 1990, with an average of \$349,675. Foundations established to benefit colleges in Connecticut, Rhode Island, and Maine were consistently less successful than their counterparts in the other three states. Average funds raised by a Connecticut college in FY90 were \$42,488; Rhode Island reported \$64,554, and colleges in Maine raised \$30,000.

Table 4.5

Average Funds Raised: FY88 — FY90

STATE	FY88					FY89					FY90					
	NO. COL.	FUNDS RAISED	AV. PER COL.	RANK	NO. COL.	FUNDS RAISED	AV. PER COL.	RANK	NO. COL.	FUNDS RAISED	AV. PER COL.	RANK	NO. COL.	FUNDS RAISED	AV. PER COL.	RANK
Connecticut	8	257,265	42,008	6	8	336,060	47,799	5	9	382,392	42,488	5	9	382,392	42,488	5
Maine	1	50,000	50,000	5	2	52,000	26,000	6	2	60,000	30,000	6	2	60,000	30,000	6
Massachusetts	8	577,727	72,216	3	11	896,258	89,626	3	9	880,971	97,886	3	9	880,971	97,886	3
New Jersey	9	1,127,347	140,918	2	11	1,862,437	186,244	2	10	3,147,077	349,675	1	10	3,147,077	349,675	1
New York	20	5,701,937	285,097	1	22	5,491,536	249,615	1	24	6,478,369	269,932	2	24	6,478,369	269,932	2
Rhode Island	1	55,686	55,686	4	1	65,507	65,507	4	1	65,507	65,507	4	1	64,554	64,554	4

Table 4.6 shows the mean and median of the funds raised by foundations in each of the three fiscal years and the three-year period July 1, 1988 to June 30, 1990. The mean of the total funds raised by the 57 colleges which reported data on funds raised by the foundation in any or all of the three years was \$479,024. The median was \$205,000. There was no mode since two or more respondents did not report the same annual or total results.

Three institutions accounted for 31 percent of all funds raised during the period. Each of these highly successful institutions raised more than \$2 million during the period for a total of \$8,455,870. The least successful of the three raised nearly \$1 million more than the institution ranked fourth in total funds raised. By treating these three colleges as outliers and excluding them from the calculation of the mean a more accurate picture of the fund raising success achieved by colleges in the Northeast can be obtained. When the three colleges identified as outliers are removed from the calculation, the mean for the three-year period was determined to be \$349,046. The median, based on 54 respondents who reported funds raised in any or all of the three years was \$186,243.

Table 4.6

Mean and Median Funds Raised

	FY1988	FY1989	FY1990	TOTAL
ALL COLLEGES				
Funds Raised	7,714,276	8,638,291	10,951,809	27,304,376
No. of Colleges	47	53	55	57
Mean	171,428	162,987	202,811	479,024
Median	81,594	65,000	98,958	199,008
54 COLLEGES (outliers not included)				
Total	4,459,630	6,159,393	8,229,483	18,848,506
No. of Colleges	42	50	51	54
Mean	106,182	123,188	161,362	349,046
Median	66,805	64,348	85,000	179,701

Table 4.7 shows the growth in total assets of the foundations over the three-year period, July 1, 1987 to June 30, 1990. Only the 43 institutions that reported the value of foundation assets in all three years were included in the calculation. During this period, the value of the total assets of foundations in the Northeast increased by 45.05 percent. Total assets at the end of the 1990 fiscal year were \$22,484,704 as compared to \$15,457,112 at the end of the 1988 fiscal year.

Table 4.7

Growth in Assets: FY89 — FY90

	1988	1989	1990	DOLLAR CHANGE 88-90	PERCENT CHANGE 88-90
Connecticut	277,000	359,000	420,189	143,189	51.69%
Massachusetts	2,560,650	3,138,459	3,287,061	726,411	28.37%
New Jersey	4,493,243	2,356,657	6,301,140	1,807,897	40.24%
New York	7,963,646	10,313,200	12,216,852	4,253,206	53.41%
Rhode Island	<u>162,573</u>	<u>198,482</u>	<u>259,462</u>	<u>96,889</u>	<u>59.60%</u>
TOTAL	15,457,112	16,365,798	22,484,704	7,027,592	45.47%
ANNUAL GROWTH		5.88%	37.39%		

Summary: Foundations associated with two-year public colleges in the Northeast have achieved a higher level of fund raising success than the colleges included in studies by Crowson [1985] and Glandon [1987]. Only 57.3 percent of the colleges which participated in Crowson's study and 42.2 percent of those included in Glandon's study raised more than \$50,000 a year. In fiscal year 1990, 37 of the 54 foundations in the Northeast which provided financial data raised \$50,000 or more. Foundations in the Northeast have also increased the value of their assets by 45.47 percent since FY87. Twelve of 44 colleges that provided data on assets in all three years reported foundation assets of \$500,000 or more at the end of the 1990 fiscal year. A study by ECUBO [1988] of 71 foundations in 11 eastern states found that 18 of the foundations had assets of \$500,000 or more.

High Success Foundations

Table 4.8 shows that 26 colleges met the criteria for high success foundations. Thirty-two colleges were classified as low success institutions. Three colleges did not provide information on funds raised in any one of the three years included in the study and so could not be classified. A total of 58 colleges are included in this portion of the study.

Those institutions in which total funds raised exceed the mean of \$349,046 were categorized as high success foundations. All of the high success foundations were located in four states: Connecticut (1), Massachusetts (4), New Jersey (6), and New York (15). Sixty percent of the colleges in New York met the criteria for high success foundations as compared to 54.55 percent in New Jersey, 36.36 percent in Massachusetts, and 10 percent in Connecticut. Three of the foundations identified as high success were organized since 1987 and although they only reported funds raised in two of the three years, the

total funds raised by these colleges exceeded the mean. Total funds raised by high success colleges over the three-year period ranged from \$353,588 to \$3,177,738.

Thirty-two college reported total funds raised for the period of less than \$349,046 and were classified as low success. Total funds raised by low success colleges over the three year period ranged from \$2,000 to \$304,950.

Table 4.8

Foundations by Level of Success

STATE	HIGH SUCCESS	PERCENT	LOW SUCCESS	PERCENT	NO RESPONSE	PERCENT	TOTAL
Connecticut	1	10.00%	8	80.00%	1	10.00%	10
Maine	0	0.0%	3	100.00%	0	0.00%	3
Massachusetts	4	36.36%	7	63.64%	0	0.00%	11
New Jersey	6	54.55%	4	36.36%	1	9.09%	11
New York	15	60.00%	9	36.00%	1	4.00%	25
Rhode Island	0	0.00%	1	100.00%	0	0.00%	1
TOTAL	26	42.62%	32	52.46%	3	4.92%	61

Characteristics of Institutions with High Success Foundations

According to the literature, there is a relationship between certain institutional characteristics and fund raising success. While Loessin, Duronio, and Borton(1988) stressed that "no institution is automatically excluded, on the basis of institutional characteristics, from a successful fund raising effort" [p. 1], they reported that older and larger colleges are more likely to attract higher levels of voluntary support. They also found that size of the institution showed a high correlation with corporate support. Fund raising expenditures were found to be highly correlated with total voluntary support. Others [McNamara 1988 and Robertson 1982] stressed the need for an adequate budget to support the private fund raising program.

Enrollment

Table 4.9 shows the total enrollment in fall 1989 in colleges with high success and low success foundations. Colleges with high success foundations tend to have larger enrollments than those in the low success group. Seven colleges (26.92 percent) in the high success group enrolled more than 10,000 students. More than half (65.38 percent) enrolled had an enrollment of more than 5,500 in the fall of 1989. Only two colleges (7.69 percent) in this group enrolled less than 2,500 students.

Only 4 colleges (11.43 percent) in the low success group enrolled more than 10,000 students in the fall of 1989. The majority (71.85 percent) enrolled less than 5,500 students.

Table 4.9
Total Enrollment

TOTAL ENROLLMENT	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
0 to 1,000	0	0.00%	1	2.86%
1,000 to 2,499	2	7.69%	9	25.71%
2,500 to 3,999	6	23.08%	10	28.57%
4,000 to 5,499	1	3.85%	3	8.57%
5,500 to 6,999	6	23.08%	2	5.71%
7,000 to 8,499	2	7.69%	2	5.71%
8,500 to 9,999	2	7.69%	3	8.57%
10,000 or More	7	26.92%	4	11.43%
No Response	0	0.00%	1	2.86%
	26	100.0%	32	100.0%

In order to determine if there is a relationship between total enrollment and fund raising success, a chi square test with an .01 significance level was used to test the following hypothesis: There is no relationship between total enrollment and fund raising success. A value of 12.02 or greater was needed to reject the hypothesis. The chi square analysis revealed a value of 9.825. The hypothesis is confirmed. There is no relationship between total enrollment and fund raising success.

Size of the Service Area

Table 4.10 shows the population in the service area of colleges in the high success and low success groups. Colleges in the high success groups have larger service areas in terms of population. Eighteen of the colleges in this group reported that the population in the service areas was greater than 200,000. Ten colleges (38.46 percent) reported that the population was 500,000 or more, one (3.85 percent) reported a population between 350,000 and 499,999

and six (23.08 percent) indicated that the population was between 200,000 and 349,000. Only two (7.69 percent) reported that the population in their service area was less than 50,000.

Half of the colleges (50 percent) in the low success group reported that the population in the service area was between 50,000 and 199,000 and seven (21.88 percent) reported a population between 200,000 and 349,000. Only 5 (15.63 percent) colleges in the low success group reported that the population of the service area was 500,000 or more.

Table 4.10

Size of the Service Area

POPULATION IN SERVICE AREA	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
Less than 50,000	2	7.69%	0	0.00%
50,000 to 199,999	5	19.23%	16	50.00%
200,000 to 349,000	6	23.08%	7	21.88%
350,000 to 499,999	1	3.85%	4	12.50%
500,000 or More	10	38.46%	5	15.63%
No Response	1	3.85%	0	0.00%
TOTAL	26	100.00%	32	100.00%

In order to determine if there is a relationship between the size of the service area and fund raising success, a chi square test with an .01 significance level was used to test the following null hypothesis: there is no relationship between size of the service area and fund raising success. A value of 7.78 or greater was needed to reject the hypothesis. The chi square analysis revealed a value of 9.455. The hypothesis is rejected. There is a relationship between the size of the service area and fund raising success.

Age of the Institution

Table 4.11 shows the age of the colleges in the high success and low success groups. The majority of the colleges in both groups were founded between 1960 and 1969. However, colleges in the high success group tended to be older than those in the low success group. Fourteen (53.85 percent) of those colleges in the high success group were founded during this period. Five (19.23 percent) were founded before 1950 and two (7.69 percent) were founded after 1970.

Although 68.75 percent of those in the low success group were founded between 1960 and 1969, only 2 (6.25 percent) were founded before 1950. Five colleges (15.63 percent) in this group were founded after 1970.

Table 4.11

Age of the Institution

COLLEGE FOUNDED	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
Before 1950	5	19.23%	2	6.25%
1950-59	4	15.38%	3	9.38%
1960-69	14	53.85%	22	68.75%
After 1970	2	7.69%	5	15.63%
No Response	1	3.85%	0	0.00%
TOTAL	26	100.00%	32	100.00%

In order to determine if there is a relationship between the age of the institution and fund raising success, a chi square test with an .01 significance level was used to test the following null hypothesis: There is no relationship between the age of the institution and fund raising success. A value of 4.61 or

greater was needed to reject the hypothesis. The chi square analysis revealed a value of 3.688. The null hypothesis is confirmed. There is no relationship between the age of the institution and fund raising success.

Age of the Foundation

Table 4.12 shows the age of the foundations established to benefit colleges in the high success and low success groups. Foundations associated with institutions in the high success group tend to be older. Sixteen (61.54 percent) of the foundations in the high success group were founded before 1980. Only 3 (11.54 percent) were founded after 1985. Six (18.75 percent) foundations associated with colleges in low success group were founded after 1985. Less than half (46.88 percent) of the foundations in this group were founded before 1980.

Table 4.12

Age of the Foundation

FOUNDATION	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
Before 1970	8	30.77%	5	25.63%
1970-1979	8	30.77%	10	31.25%
1980-1985	7	26.92%	9	28.13%
After 1985	3	11.54%	6	18.75%
No Response	0	0.00%	2	6.25%
TOTAL	26	100.00%	32	100.00%

In order to determine the relationship between the age of the foundation and fund raising success, a chi square test with an .01 significance level was used to test the following null hypothesis: There is no relationship between the age of the foundation and fund raising success. A value of 4.61 or greater

was needed to reject the hypothesis. The chi square analysis revealed a value of 1.88. The hypothesis is confirmed. There is no relationship between the age of the foundation and fund raising success.

Nature of the Institution

Table 4.13 shows the number and percentage of community colleges and vocational/technical colleges in the high and low success groups. More than 80 percent of the institutions in both groups are community colleges. Only 11.54 percent of the colleges in the high success group and 15.63 percent of the colleges in the low success group are vocational/technical colleges.

Table 4.13

Nature of the Institution

	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
Community College	23	88.46%	27	84.38%
Vocational/Technical	3	11.54%	5	15.63%
TOTAL	<u>26</u>	<u>100.00%</u>	<u>32</u>	<u>100.00%</u>

In order to determine if there is a relationship between the nature of the institution and fund raising success, a chi square test with an .01 significance level was used to test the following null hypothesis: there is no relationship between nature of the institution and fund raising success. A value of 4.61 or greater was needed to reject the hypothesis. The chi square analysis revealed a value of .201. The hypothesis is confirmed. There is no relationship between the nature of the institution and fund raising success.

Institutional Support for Fund Raising

Table 4.14 shows the number and percentage of colleges in each group which include funds to support fund raising or prospect cultivation in the college or department budget. Half (50 percent) of all institutions in the high success group reported that the college budget included funds to support fund raising or prospect cultivation activities. Only 37.5 percent of institutions in the low success group budget funds for these types of activities.

Table 4.14

College Funds Budgeted to Support Fund Raising or Prospect Cultivation

	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
College budget includes expenses for fund raising	13	50.00%	12	37.50%
No fund raising expenses in college budget	13	50.00%	19	59.38%
No Response	0	0.00%	1	3.13%
TOTAL	26	100.00%	32	100.00%

Table 4.15 shows the average level of support provided by the college for expenses directly related to fund raising. Although only 50 percent of those in the high success group and 37.5 percent of those in the low success group reported that the college or department budget included funds to support fund raising (Table 4.14), the majority of colleges in both groups reported that college funds are used for this purpose. Respondents were asked the average

level of support provided by the college for expenses related to fund raising such as printing, postage, supplies, and prospect cultivation.

Twenty one (80.77 percent) of the institutions in the high success group and 23 (71.87 percent) of those in the low success group reported that college funds are used to support fund raising. Those colleges in the high success group spend more on fund raising than do those in the low success group. Seven (26.92 percent) colleges in the high success group reported that the college spends more than \$10,000 per year. Only five (19.23 percent) colleges in this group reported that the college spends less than \$1,000 per year on fund raising.

Half (50 percent) of the colleges in the low success group reported that less than \$2,500 per year was spent on fund raising. Nine (28.13 percent) colleges indicated that no college funds were used for this purpose and only 4 (12.5 percent) reported direct fund raising expenses of more than \$10,000 per year.

Although the literature provides little data on expenditures to support fund raising by two-year colleges, in 1978 Luck and Tolle reported that 119 (62.3 percent) of the 191 colleges in their study that provided data on fund raising expenditures spent less than \$2,500 a year. More than ten years later, 67.2 percent of the 58 public two-year colleges in the Northeast in both the high success and low success groups reported that the college spent less than \$2,500.

Table 4.15

College Support for Fund Raising

LEVEL OF SUPPORT	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
None	5	19.23%	9	28.13%
Less than \$1,000	5	19.23%	8	25.00%
\$1,000 to 2,499	4	15.38%	8	25.00%
\$2,500 to 4,999	2	7.69%	2	6.25%
\$5,000 to 7,999	2	7.69%	1	3.13%
\$8,000 to 9,999	1	3.85%	0	0.00%
\$10,000 or More	7	26.92%	4	12.50%
TOTAL	26	100.00%	32	100.00%

In order to determine the relationship between the level of financial support provided by the college and fund raising success, a chi square test with an .01 significance level was used to test the following null hypothesis: There is no relationship between the level financial support provided by the college and fund raising success. A value of 10.64 or greater was needed to reject the hypothesis. The chi square analysis revealed a value of 4.75. The hypothesis is confirmed. There is no relationship between the level of financial support provided by the college and fund raising success.

Total Support for Fund Raising. Table 4.16 shows the average level or support provided by the foundation for expenses related to fund raising. Respondents were asked to indicate the average annual level of support provided by the foundation for expenses related to fund raising such as printing, postage, supplies, and prospect cultivation. The salaries of personnel employed by the foundation were not included in the estimate of annual fund raising expenses.

Foundations associated with colleges in the high success group spend more on fund raising than do those associated with colleges in the low success group. Twelve (46.15 percent) of those in the high success group reported that the foundation spent more than \$10,000 per year to support fund raising. Only one (3.85 percent) college in this group reported that the foundation spent less than \$1,000 on expenses directly related to fund raising.

Fifteen (46.88 percent) of those in the low success group reported that the foundation spent less than \$1,000 per year on expenses related to fund raising. Only two (6.25 percent) of the colleges in this group reported that the foundation spent more than \$10,000 per year.

Table 4.16

Foundation Support for Fund Raising

	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
Less than \$1,000	1	3.85%	15	46.88%
\$1,000 to 2,499	2	7.69%	3	9.38%
\$2,500 to 4,999	5	19.23%	8	25.00%
\$5,000 to 7,999	2	7.69%	2	6.25%
\$8,000 to 9,999	2	7.69%	0	0.00%
\$10,000 or More	12	46.15%	2	6.25%
No Response	2	7.69%	2	6.25%
TOTAL	26	100.00%	32	100.00%

While the relatively low level of support for fund raising expenditures provided by the college has been shown not to be related to fund raising success, there may be a relationship between total levels of support for fund raising from all sources and fund raising success. Total funds from all sources

were calculated for each institution by determining the mid-points of each possible response to the questions on financial support from the college and the foundation. The responses from each institution were added together and a new distribution showing total expenses was developed.

Table 4.17 shows fund raising expenditures from all sources. Colleges in the high success group devoted more resources to fund raising than did those in the the low success group. Six (23.08 percent) reported that the level of support from all sources for expenses directly related to fund raising was more than \$20,000 and more than half (61.55 percent) of the colleges in this group spend more than \$10,000 a year for this purpose.

Only two (9.38 percent) of the colleges in the low success group spent more than \$20,000 on expenses directly related to fund raising and prospect cultivation. The majority (78.13 percent) of the colleges in this group spend less than \$10,000 a year.

Table 4.17

Fund Raising Support From All Sources

	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
Less than \$2,000	1	3.85%	11	34.38%
\$2,000-4,999	4	15.38%	8	25.00%
\$5,000-9,999	3	11.54%	6	18.75%
\$10,000-15,999	9	34.62%	2	6.25%
\$16,000-19,999	1	3.85%	0	0.00%
\$20,000 or More	6	23.08%	2	6.25%
No Response	2	7.69%	3	9.38%
TOTAL	26	100.00%	32	100.00%

In order to determine the relationship between total funds expended to support fund raising and fund raising success, a chi square test with an .01 significance level was used to test the following null hypothesis. There is no relationship between total expenditures to support fund raising and fund raising success. A value of 9.24 or greater was needed to reject the hypothesis. The chi square analysis revealed a value of 17.808. The hypothesis is rejected. There is a relationship between total expenditures to support fund raising and fund raising success.

Summary

Although the literature identified age of the institution, complexity of mission and enrollment as characteristics which were associated with fund raising success, there is no relationship at the .01 significance level between age of the institution, age of the foundation, nature of the institution, or enrollment with fund raising success. There is a relationship at the .01 significance level between size of the service area and fund raising success. The relatively low levels of financial support for fund raising provided by the foundation or by the college were not found to be related to fund raising success. However, there is a relationship at the .01 significance level between total support for fund raising from all sources and funds raised.

Characteristics of High Success Foundations

According to the literature, the involvement of the president is critical to the success of the foundation [McNamara 1988, Robinson 1982, Kopecek 1983]. The president may demonstrate commitment by serving on the board of directors and attending meetings. However, Bartley [1988] and Daniel [1988] emphasized that the president should be involved in personally soliciting

funds. Robison [1982] and McNamara [1988] stressed the need for staff support. Picket [1981] in a study of fund raising by private colleges found that those institutions which achieved more than average success in fund raising employed more professional staff in all advancement areas. Woodbury [1989] stated that the success of the foundation was proportional to the staff resources provided by the college.

The literature suggests that community colleges receive support from different donor groups than do private colleges. According to a survey conducted by CFAE [1990], two-year public colleges receive less support from alumni and more support from business and corporations than do private colleges. Ryan [1988a] as well as Brillingham and Pelluzzo [1990] suggested that community colleges could attract corporate gifts since they offered training programs which directly addressed the needs of local businesses. Individuals not associated with the college are also considered to be an important group of donors for two-year public colleges. Sharron [1982], Worth [1982], and Crowson [1985] emphasized the importance of selecting foundation directors who were capable of making gifts to the college.

Involvement of the President in Foundation Activities

Table 4.18 shows that the majority of the presidents of two-year public colleges in the Northeast serve on the board of directors of the college-related foundation. Twenty-three of the presidents (88.46 percent) of high success colleges and 27 (84.38 percent) of the presidents of low success colleges are members of the board of directors of the college-related foundation.

Table 4.18

Membership on the Board of Directors

	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
President on Board	23	88.46%	27	103.85%
President Not on Board	3	9.38%	5	15.63%
TOTAL	<u>26</u>	<u>100.00%</u>	<u>33</u>	<u>100.00%</u>

Table 4.19 shows that even those presidents who are not members of the board always or usually attend meetings of the board. Six the seven colleges in which the president is not a member of the board of directors of the foundation indicated that the president always or usually attends meetings of the board. There is little difference between the high success and low success groups. In the high success groups 61.54 percent of the presidents always attend meetings of the foundation board and 34.62 percent usually attend. In the low success groups 65.63 percent of the presidents always attend meetings of the foundation board and 25 percent usually attend.

Table 4.19

Attendance at Meetings of the Board of Directors

	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
Always	16	61.54%	21	65.63%
Usually	9	34.62%	8	25.00%
Occasionally	1	3.85%	3	9.38%
Never	0	0.00%	0	0.00%
TOTAL	<u>26</u>	<u>100.00%</u>	<u>32</u>	<u>100.00%</u>

Table 4.20 shows the presidents participation in fund raising. High success and low success colleges do differ in the presidents' participation in the foundation's fund raising efforts. Presidents in high success colleges are more likely to be personally involved in soliciting funds for the college. Presidents of high success colleges always (19.23 percent) or usually (42.31 percent) participate in foundation activities by personally soliciting funds. Presidents of colleges in the low success groups are less likely to personally solicit funds. Only 9.38 percent of the respondents in this group indicated that the president always participates in soliciting funds, and 25 percent responded that the president usually participates. Twenty-five percent of respondents in the low success group indicated that the president never personally solicits funds.

Table 4.20

Participation of the President in Fund Raising

	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
Always	5	19.23%	3	9.38%
Usually	11	42.31%	8	25.00%
Occasionally	11	32.31%	13	40.63%
Never	0	0.00%	8	25.00%
TOTAL	26	100.00%	33	100.00%

Table 4.21 shows the number of personal solicitation calls made by the president during the period July 1, 1989 to June 30, 1990. Presidents of colleges in high success groups make a greater number of personal or corporate solicitation calls than do presidents of colleges in the low success group. Eleven (42.31 percent) of the 26 high success colleges reported that the

president made more than ten solicitation calls during that period. Three (11.54 percent) colleges in the high success group reported that the president made seven to ten calls, 7.69 percent reported four to six calls, and 23.08 percent reported one to three calls. Only three respondents (11.54) indicated that the president made no calls on corporations or individuals to solicit funds. The three most successful institutions in terms of total funds raised over the period July 1987 to June 1990 indicated that the president made less than seven calls to solicit funds during the 1990 fiscal year.

Only two (6.25 percent) low success colleges indicated that the president made more than ten calls on individuals or corporations to solicit funds during the period July 1989 and June 1990, and 13 (20.63 percent) of the colleges in this group indicated that the president made no calls for this purpose. Respondents in the low success group reported that 9.38 percent of the presidents made seven to ten calls, 15.63 percent made four to six calls, and 28.13 percent made one to three calls.

Table 4.21

Personal Solicitation Calls by the President
July 1989 — June 1990

	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
More than 10	11	42.31%	2	6.25%
7 to 10	3	11.54%	3	9.38%
4 to 6	2	7.69%	5	15.63%
1 to 3	6	23.08%	9	28.13%
None	3	11.54%	13	20.63%
No Response	1	3.85%	0	0.0%
TOTAL	<u>26</u>	<u>100.00%</u>	<u>32</u>	<u>100.00%</u>

Staff Support to Support Foundation Activities

Table 4.22 shows the level of staff support for the foundation which is provided by the institution. Respondents were asked to identify, by title, institutional personnel who provided professional and clerical support for the foundation and the percentage of time each individual devoted to the foundation. The mean number of full-time equivalent professional and clerical staff is based on the number of colleges which indicated that college personnel provided support for the foundation.

Colleges in the high success group provide more staff support for the foundation than do those in the low success group. All (100 percent) of the high success colleges reported that one or more members of the professional staff employed by the college devoted all or some portion of their time to providing support for the foundation and 76.92 percent provided clerical staff. Half (50 percent) of the high success colleges reported that two or more professionals devoted time to the foundation and seven (26.9 percent) colleges in this group indicated that one or more professionals devoted 100 percent of his or her time to the foundation. The 26 colleges in the high success group reported a total of 22.56 full-time equivalent professional and 14.15 full-time equivalent clerical positions were devoted to providing support to the foundation. The average high success employed the full-time equivalent of 0.87 professional and 0.71 clerical staff members who provided support for the foundation.

Nine (28.12 percent) of those in the low success group reported that the college employed no professional staff who provided support for the foundation and 11 (34.36 percent) reported no clerical support by college employees. The 32 colleges in the low success group reported a total of 6.56

professional and 4.85 clerical employees who provided support for the foundation. The average college in the low group employed the full-time equivalent of 0.29 professional and 0.23 clerical staff to provide support for the foundation.

Table 4.22

Professional and Clerical Support by the College

	HIGH SUCCESS			LOW SUCCESS		
	NUMBER	PERCENT	MEAN FTE	NUMBER	PERCENT	MEAN FTE
Professional	26	100.00%	0.875	23	71.88%	0.29
Clerical	20	76.92%	0.71	21	63.84%	0.23

Table 4.23 shows the level of staff support provided by the foundation. Respondents were asked the number of full-time equivalent professional and clerical staff employed by the foundation. The calculation of the mean full-time equivalent professional and clerical staff is based on the number of colleges reporting that the foundation employed staff. The majority (67.24 percent) of foundations do not employ staff.

Foundations associated with colleges in the high success group are more likely to employ professional and clerical staff than are those foundations associated with colleges in the low success group. Twelve (46.15 percent) of the colleges in the high success group reported that the foundation employed professional and/or clerical staff.

Table 4.23

Professional/Clerical Support by the Foundation

	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
No Staff	14	53.85%	25	78.13%
With Staff	12	46.15%	7	21.88%
TOTAL	<u>26</u>	<u>100.00%</u>	<u>32</u>	<u>100.00%</u>

The mean number of staff (Table 4.24) provided by the foundation was the full-time equivalent of 1.13 professionals and 1.35 clerical staff members. Only seven (21.88 percent) of the 32 colleges in the low success group reported that the foundation employed staff. The mean number of full-time equivalent staff employed by the foundation was 0.32 professional and 0.39 clerical staff.

Table 4.24

Mean No. Staff Employed by the Foundation

	HIGH SUCCESS	LOW SUCCESS
Professional	1.13	0.32
Clerical	1.35	0.39

Table 4.25 shows the participation of presidents, deans or directors of development, other college employees, and foundation board member in workshops and seminars sponsored by professional groups in the field of fund raising. Respondents were asked if the president, dean or director of development, and members of the foundations board of directors had attended a workshop or seminar sponsored by the Council for the

Advancement of Education (CASE), the National Council for Resource Development (NCRD), or the National Association of Fund Raising Executives (NSFRE).

Deans or directors of development, other college employees, and foundation board members associated with colleges in the high success group are somewhat more likely to attend conferences and or workshops sponsored by professional organizations in the field of fund raising than those associated with institutions in the low success group. However, presidents of high success colleges are less likely to attend than their colleagues at low success colleges. Twenty respondents (76.92 percent) in the high success group reported that the deans or directors of development had attended a workshop or seminar sponsored by one of these groups. Fifteen colleges (57.69 percent) reported that other college employees had attended and 26.92 percent reported that members of the board of directors of the foundation had attended workshops or seminars sponsored by CASE, NCRD, or NSFRE. Only seven (26.92 percent) of the presidents of the 26 high success colleges attended workshops sponsored by these groups.

Ten (31.25 percent) of the presidents associated with colleges in the low success attended conferences or workshops sponsored by NCRD, CASE, and/or NSFRE. However, only 15.63 percent of the foundation board members and 68.75 percent of the deans or directors of development had attended workshops and seminars. Sixteen (50 percent) of the colleges in this group reported that other college employees had attended workshops or seminars sponsored by these groups.

Table 4.25

Participation in Workshops and Seminars
Sponsored by Professional Organizations

	HIGH SUCCESS		LOW SUCCESS	
	NUMBER	PERCENT	NUMBER	PERCENT
Presidents	7	26.92%	10	31.25%
Dean/Director	20	76.92%	22	68.75%
Other Employees	15	57.69%	16	50.00%
Board Members	7	26.92%	5	15.63%

Fund Raising Methods and Donor Groups. Table 4.26 shows the number of methods used to raise funds by colleges in the high success and the low success groups. Respondents were asked to indicate which of the nine methods listed were used or not used by the foundation to raise funds during the period July 1, 1987 to June 30, 1990. Space was provided for the respondent to add methods not included on the list. Only three respondents identified other methods. The number of methods identified by each respondent was tallied, and the average number of methods used by colleges in the high success and low success groups was computed.

Institutions in the high success group used a greater number of fund raising methods than did those in the low success group. High success colleges used an average of 5.69 different methods to raise funds, while low success colleges used only 4.34 methods.

Table 4.26

Number of Methods Used to Raise Funds

COLLEGES/METHODS	HIGH SUCCESS	LOW SUCCESS
Number of Colleges	26	32
Total Methods by All Colleges	148	139
Average Methods Used	5.69	4.34

Table 4.27 shows the number and percentage of the colleges in each group which used each fund raising method. Five methods were used most frequently by both high and low success groups. Personal solicitation of individuals (88.46 percent) and direct mail campaigns (88.26 percent) were the methods most used by those in the high success group. Personal solicitation of corporations was used by 84.62 percent of the colleges in the high success groups. Twenty-one colleges (80.77 percent) in this group reported that they raised funds by sponsoring dinners or other social events, and 73.08 percent submitted proposals to private foundations. Sponsoring athletic tournaments was the least used fund raising method by the high success group. Only five colleges (19.23 percent) reported using this method.

Personal solicitation of corporations (78.13 percent) was the method most used by colleges in the low success group. However, 78.13 percent of those in the low success group reported soliciting individuals, and 68.75 per cents conducted direct mail campaigns. Seventeen colleges (53.13 percent) in this group reported sponsoring dinners and other social events, and 43.75 percent submitted proposals to private foundations. Phon-a-thons were the least popular fund raising method among those colleges in the low success group. Only seven colleges (21.88 percent) reported that they conducted phon-a-thons.

Table 4.27
Fund Raising Methods

METHODS	HIGH SUCCESS			LOW SUCCESS		
	NO. OF COLLEGES	PERCENT	RANK	NO. OF COLLEGES	PERCENT	RANK
Solicit Individuals	23	88.46%	1	24	75.00%	2
Solicit Corporations	22	84.62%	2	25	78.13%	1
Direct Mail	23	88.46%	1	22	68.75%	3
Sponsor Social Events	21	80.77%	4	17	53.13%	4
Solicit Foundations	19	73.08%	5	14	43.75%	5
Telethons	14	53.85%	6	7	21.88%	7
Raffles or Auctions	11	42.31%	7	9	28.13%	8
Sponsor Cultural Events	9	34.62%	8	11	34.38%	6
Sponsor Athletic Tournaments	5	19.23%	9	8	25.00%	9
Other	1	3.85%	10	2	6.25%	10

Table 4.28 shows a ranking of fund raising methods in order of effectiveness. Respondents were asked to rank the methods which they used in order of the total funds raised by that method. Point values were assigned to each ranking in order to develop a weighted ranking of fund raising methods. Although the list identified nine methods and allowed the respondent to add other methods, most institutions did not use nine methods. Since those in the high success group identified an average of 5.69 methods used, only the methods ranked one through six were assigned point values. A first place ranking was assigned six points, five points were assigned to the method ranked second, four points for a ranking of third, three points to method ranked fourth, two points to the one ranked fifth, and one point to the method ranked sixth.

There was strong agreement in the rankings of both groups. High success colleges ranked personal solicitation of individuals as the method which produced the most revenue. Personal solicitation of corporations ranked second, and direct mail was ranked third. Raffles or auctions were considered the least effective method by this group.

Colleges in the low success group ranked personal solicitation of corporations first as the method that produced the most revenue. Personal solicitation of individuals was ranked second, and direct mail campaigns were ranked third. Phon-a-thons were ranked last by this group.

Table 4.28

Effectiveness of Fund Raising Methods

METHODS	HIGH SUCCESS		LOW SUCCESS	
	WEIGHTED SCORE	RANK	WEIGHTED SCORE	RANK
Solicit Individuals	97	1	120	2
Solicit Corporations	85	2	109	1
Direct Mail	62	3	79	3
Sponsor Social Events	58	4	59	4
Proposals to Foundations	58	4	40	5
Telethons	33	6	21	9
Sponsor Athletic Tournament	16	8	36	6
Sponsor Cultural Events	17	7	29	7
Raffles or Auctions	15	9	27	8
Other	0	10	6	10
No Response	3		1	

Table 4.29 shows a ranking of donor groups on the basis of the total funds contributed by each group. Respondents were asked to rank seven donor groups on the basis of the total funds contributed by each group during the period July 1, 1987 to June 30, 1990. Point values were assigned to each ranking. Seven points were assigned to the donor group ranked one, six points for a rank of two, five points for three ranking, four points for a rank of four, three for a rank of five, two for six, and one for seven. Not every respondent ranked every method.

Colleges in the high success group ranked corporations and business as the group which contributed the most support to the foundation. Individuals not associated with the college ranked second, and foundation board

members as individuals ranked third. Alumni were ranked sixth by this group after other private foundations and college administrators, faculty, and staff. Trustees or members of the college's governing board were ranked last by this group.

Colleges in the low success group also ranked corporations and businesses first as the group which provided the most support. Foundations board members as individuals ranked second, and individuals not associated with the college ranked third. Alumni were ranked fifth after college administrators, faculty, and staff. This group also ranked trustees or members of the college's governing board last.

Table 4.29
Donor Groups

DONOR GROUPS	HIGH SUCCESS		LOW SUCCESS	
	NO.	RANK	NO.	RANK
Corporations/Businesses	142	1	191	1
Individuals Not Associated with the College	114	2	120	3
Foundation Board Members as Individuals	94	3	131	2
College Administrations, Faculty and Staff	75	5	103	4
Alumni	74	6	85	5
Other Private Foundations	81	4	63	6
Trustee/Members of the College's Governing Board	53	7	61	7
No Response	2		2	

Summary

Presidents of those colleges which have achieved above average success in fund raising are more likely to be personally involved in soliciting funds. Colleges in the high success group also employ more professional and clerical staff to support fund raising activities. While few foundations employ personnel, those foundations that have achieved above average levels of support employ more individuals than do those which have not been as successful. While there is strong agreement on fund raising methods, colleges in the high success group use more methods to raise funds than do those in the low success group. Personal solicitation of corporations, solicitation of individuals, and direct mail are the most effective fund raising methods. Corporations, individuals not associated with the college, and foundation board members as individuals are considered to be the most important donor groups by colleges in both the high success and low success groups.

Interview Findings

Seven individuals participated in a telephone interview. Although the interview was unstructured, an interview guide (Appendix G) was used to organize and summarize responses (Table 30). The purpose of the interview was to gather additional data and insight on the specific factors which contributed to fund raising success, identify the source of college funds used to support fund raising, determine the amount of time key individuals devoted to fund raising, and define the role of key individuals in the solicitation of funds.

Table 4.30

Interview Summary

1) Why was the college foundation able to raise \$_____ over the last three years?

	CRITICAL	IMPORTANT	SOME IMPORTANCE	NOT A FACTOR	TOTAL
A. DONOR GROUPS					
Alumni	0	1	4	2	7
Individuals	3	4	0	0	7
Corporations	3	3	1	0	7
B. INSTITUTIONAL FACTORS					
Size	—	—	2	5	7
Location	1	3	3	0	7
Reputation	4	3	0	0	7
C. FOUNDATION/COLLEGE					
Directors	4	0	2	1	7
President	2	1	3	1	7
Staff	6	1	0	0	7
D. STRATEGIES					
Annual Fund	4	2	1	0	7
Special Campaigns	1	1	3	2	7
Special Events	2	1	3	2	7

2) How does the college provide funds for fund raising/friend raising expenses such as personnel, direct expenses, equipment, and professional development/training?

Grants	2
Trust Funds	0
Discretionary Accounts	1
Budget Line Item	7
Absorbed in Several Areas	1

3) How much time do paid staff members devote to fund raising/friend raising activities in an average month?

	PRIMARY RESPONSIBILITY	SIGNIF. PORTION OF TIME	MINIMAL	TOTAL
Director	7	0	0	7
Clerical Staff	6	0	1	7

4) What are the roles of key individuals in fund raising solicitation?

	SIGNIFICANT	IMPORTANT	SOME IMPORTANCE	MINIMAL	TOTAL
President	1	1	4	1	7
Board Members	4	0	1	1	7
Director	6	1	0	0	7

Factors Which Contributed to Fund Raising Success

Interviews with individuals associated with colleges in the high success group confirmed the survey findings on the importance of specific donor groups. Corporate and individual donors were considered to be important or critical to the foundation's ability to raise funds by six of the seven individuals interviewed. Alumni were not considered to be critical or important in terms of total funds raised by six of the seven individuals interviewed, but five directors indicated that they planned to put greater emphasis on alumni in the future. One individual suggested that alumni were just beginning to reach the stage when they had the capacity to make significant gifts to the college. Another reported that the college's initial campaign to raise funds by soliciting alumni had far exceeded the goal.

Interview data suggests that the composition of the service area is more important than its size. Two of those interviewed felt that the wealth of the community was a critical factor in their efforts to raise funds. Another emphasized that the number of major corporations located in the college's service area was a critical reason for the success of the college's fund raising program. All of the individuals who participated in the interview component stressed the importance of building relationships with the business community. Two colleges felt that the college's commitment to career programs enabled them to develop the strong ties with the business community which led to corporate support. One individual reported that the college's unique technical mission enabled faculty to develop relationships with industry and professional associations which resulted in gifts of equipment and supplies, as well as dollars. There was strong agreement on the importance of the reputation of the college. All of those interviewed

reported that the reputation of the institution was critical or important to their success.

Four of those interviewed reported that the board of directors was critical to the success of the fund raising effort. The board of directors contributed to the success of the fund raising effort by helping the college access corporate and community leaders who had the capacity to make significant gifts. Two of those interviewed reported that they significantly increased total funds raised when they were able to attract foundation directors who were considered to be the leaders of the corporate community. One cited the nearly full-time commitment of a wealthy and influential board member as the most important reason for the success of a current fund raising campaign. One director reported that the board of directors was not a factor because the individuals on the board were not particularly influential in the community. Most had been asked to serve on the foundation board because of a prior relationship with the institution. There was little agreement on the importance of the president's contribution to the fund raising effort. While two directors felt the president was a critical reason for the success of the fund raising effort, one reported that the college had had several presidents over the past few years and none of them had been actively involved in fund raising. Three directors considered the president to be only somewhat important because although the president was supportive of the effort, he/she did not provide a great deal of leadership. Six of the respondents saw their own roles as critical to fund raising success. They emphasized the importance of the role of the director in providing coordination and follow up as well as maintaining relationships with potential donors.

Fund Raising Strategies

All but one of the colleges participating in the interview component considered an annual fund drive to be a critical or important reason for their success. Three individuals reported that they conducted several annual fund campaigns for particular groups of donors such as faculty, the corporate community, and alumni. Four respondents also considered at least one other strategy to be of similar importance. Two directors reported that special events were critical while two other institutions found special events to be of little importance to their total effort. Three of those interviewed felt that special events helped focus attention on the college even though they did not raise significant sums. However, one college based its entire fund raising effort on a series of special events. Special campaigns to support specific projects or programs were considered only somewhat important or not a factor by five of the respondents, only two individuals found special campaigns to be critical or important.

College Support for Fund Raising

Although all of those interviewed reported that the college allocated funds to support fund raising and friend raising, most of the direct fund raising expenses were paid by the foundation. Three respondents reported that they and/or the clerical staff were employees of the foundation rather than the college. Two individuals who were employed by the college reported that the foundation reimbursed the college for their salary by means of an unrestricted gift. College funds for personnel, equipment, and professional development were line items in the budget for the development office. Two respondents indicated that grant funds had been used to purchase equipment which was used in the fund raising effort. None of those

interviewed expressed any concern over the level of support for fund raising. There was no indication that a lack of funds inhibited the fund raising effort.

Staff Time Devoted to Fund Raising

All of those interviewed reported that fund raising was their primary responsibility. Six indicated that all of their time except for service on college committees was devoted to fund raising. Only one director indicated that he was responsible for another college function. All but one director also reported that providing support for fund raising was the primary responsibility of one or more clerical staff members. All of those interviewed stressed that being able to devote sufficient time to planning, organizing and implementing the fund raising program was a critical to the colleges ability to raise significant funds.

The Roles of Key Individuals in Fund Raising Solicitation

Six of those interviewed agreed that the director of the foundation played a significant role in the actual solicitation of funds. Five directors reported that members of the board of directors were significantly involved in soliciting funds. Although the survey data showed that presidents of colleges in the high success group were more likely to be involved in soliciting funds, only two respondents reported that the president's role was significant or important. Several respondents pointed out that although the president was willing to accompany them on solicitation calls, he/she was more effective at cultivating prospects than asking for contributions. One foundation director stated that faculty were the most effective fund raisers. He attributed this to the technical mission of the college which required faculty to be very involved with industry and professional organizations.

Summary

The interview data confirmed the data collected in the survey on donor groups. There was strong agreement that individuals and corporations were the most important groups in terms of total funds raised. The relative importance of these two donor groups appeared to be a function of the composition of local community and/or past practices. The importance of staff support for the fund raising effort was also confirmed by the interview data. All of those interviewed indicated that fund raising was their only and/or most important responsibility. Six of the seven directors interviewed indicated that their own efforts and those of the support staff were critical to the success of the fund raising program. The interviews also confirmed that colleges and foundations in the high success group used a variety of methods to raise funds. Each of the directors interviewed described several different successful fund raising strategies to appeal to different donor groups. While those interviewed reported various levels of success with particular fund raising success with particular methods, all reported using a variety of methods including annual campaigns, dinners or other social events, raffles and various types of special events to raise funds.

Although the interview addressed the sources of college financial support for expenses related to fund raising, those interviewed reported that the foundation absorbed most of the costs directly associated with raising funds. When college funds were used, fund raising expenses were incorporated in the budget for the development office.

The interviews raised new issues about the role of the president in the fund raising effort. Although the survey data showed that presidents of colleges in the high success group were more likely to be directly involved in

the solicitation of funds, only two of those interviewed reported that the president played a significant role in the solicitation of gifts. Although five of the seven individuals did not consider the president critical or important to success, all of those interviewed provided one or more examples of the president's involvement in the fund raising effort. They cited his/her willingness to accompany others on solicitation calls and the cultivation of prospective donors as important roles for the president. The foundation director and the members of the board of directors were reported to have more important roles in the solicitation process than the president.

CHAPTER 5

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

In this chapter, the study is summarized and the findings are presented in relation to the five questions which guided the study. Conclusions and recommendations for action and further research are identified.

Summary

This study was conducted to collect baseline data on the level of support that college-related foundations have provided for two-year colleges in the Northeast and to identify the characteristics of those colleges and foundations which have attracted an above average level of support. Specifically, the study sought answers to the following questions:

- 1) What percent of the two-year public colleges in the Northeast have active foundations?
- 2) What level of fund raising success have two-year public college foundations in the Northeast achieved during the period July 1, 1987, to June 30, 1990, as measured by funds raised and growth in total assets?
- 3) How do two-year colleges that have attracted above average levels of support as measured by total funds raised differ from two-year colleges that have received below average levels of support in respect to the following variables: a) enrollment; b) population in the service area; c) age of the institution; d) age of the foundation; e) nature of the institution (technical or community college); f) level of financial support from the college for fund raising; and g) level of financial support for fund raising from all sources?
- 4) What are the characteristics of those two-year college and foundations which have achieved above average levels of support as measured by

total funds raised? The specific characteristics being assessed are a) involvement of the president in fund raising activities; b) the level of staff support; c) fund raising strategies used; and d) sources of private support.

A review of the literature revealed only one study which provided data on the number of two-year colleges with foundations in 11 eastern states and the total funds raised by those institutions. In 1988, a study conducted by the Eastern Association of College and University Business Officers (ECUBO) found that 63 percent of the two-year public and private colleges in 11 eastern states including the six New England states, New York, and New Jersey had established affiliated charitable foundations. Other researchers identified factors associated with successful fund raising and characteristics of successful foundations. Duronio, Loessin and Borton [1987b] found a correlation of fund raising expenditures and fund raising staff with total voluntary support. Duffy [1979], Glandon [1987] and McNamara [1988] identified characteristics of successful two-year college foundations.

This research study focused on identifying characteristics of colleges and foundations which had achieved above average levels of success. A questionnaire was developed and mailed to 101 public two-year colleges in Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, and Vermont. Seventy two responses were received and all were used in the study.

High success foundations were identified by determining the mean funds raised by all colleges which reported funds raised in any or all of the three years encompassed by the study (July 1, 1987, to June 30, 1990). Three institutions which have raised significantly greater sums than all other

institutions in the study were considered outliers and not included in the calculation of the mean. Those colleges which reported total funds raised greater than the mean for all institutions were classified as high success colleges. Those institutions which reported total funds raised less than the mean were classified as low success. The responses of each group were compared in order to determine how those in the high success group differed from those in the low success group. A chi square test was used to test for significance differences between the high and low success groups.

The findings of the study are summarized in the answers to the questions which guided the study. These findings are the basis for the conclusions relevant to two-year public colleges.

Research Question 1: What percent of the two-year public colleges in the Northeast have active foundations?

Sixty-one colleges reported that they had established an affiliated charitable foundation. Fifty-one colleges (84 percent) met the criteria for an active foundation. Although ten foundations did not meet the criteria, only two can be considered inactive. Eight colleges reported that the foundation was established after 1988. These foundations can better be described as new.

Research Question 2: What level of fund raising success have two-year public college foundations in the Northeast achieved during the period July 1, 1987, to June 30, 1990, as measured by funds raised and growth in total assets?

During the three years included in the study, two-year college foundations in the Northeast have raised a total of \$27,304,376. The total funds raised in FY90 were 41.74 percent greater than the funds raised in FY88. The total assets of the 43 institutions that reported the value of assets in all three years was \$22,484,704 at the end of the 1990 fiscal year. Growth in assets over the three year period was 45.47 percent.

Research Question 3: How do two-year colleges that have attracted above average levels of support as measured by total funds raised differ from two-year colleges that have received below average levels of support in respect to the following variables: a) enrollment; b) population in the service area; c) age of the institution; d) age of the foundation; e) nature of the institution; f) level of financial support from the college for fund raising; and g) level of financial support for fund raising from all sources?

a) Enrollment. Colleges in the high success group tended to enroll more students than those in the low success group. However, the chi square test confirmed that there was no relationship between enrollment and fund raising success at the .01 significance level.

b) Size of the service area. The chi square test revealed a relationship between the size of the service area and fund raising success at the .01 significance level.

c) Age of the institution. Although colleges in the high success group tended to be older than those in the low success group, the chi square test found no relationship between the age of the institution and fund raising success at the .01 significant level. Since all but seven of the 60 colleges which provided data on the age of the institution were founded after 1950, all of the colleges included in the study are relatively new institutions when compared to public and private four-year colleges and universities.

d) Age of the foundation. Foundations associated with colleges in the high success group tended to be older than those associated with colleges in the low success group. However, all of the foundations organized to benefit two-year colleges in the Northeast are relatively young organizations. Only 15 of the 59 respondents who provided information on the age of the foundation reported that the foundation was more than 20 years old. Eight

foundations had been organized since 1985. The chi square test found no relationship between the age of the foundation and fund raising success at the .01 significance level.

e) Nature of the institution. The chi square test found no relationship between the nature of the institution (community college of vocational/technical college) and fund raising success at the .01 significance level.

f) Level of financial support provided by the college. Colleges in the high success group spend more on fund raising than do those in the low success group. However, colleges provide relatively low levels of support for fund raising. Approximately 67 percent of the 58 colleges which provided data on financial support from the college reported that the college spent less than \$2,500 a year for this purpose. The chi square test revealed that there was no relationship between the level of financial support provided by the college and fund raising success at the .01 significance level.

g) Level of financial support for fund raising from all sources. When total support for fund raising from all sources was calculated, those in the high success group devoted more resources to fund raising than did those in the low success group. However, when both support from the foundation and the college was considered, the level of expenditures to support fund raising was relatively low. Twenty-four of the 58 colleges reported that total support for fund raising expenses was less than \$5,000. The chi square test revealed that there was a relationship between total expenditures to support fund raising and fund raising success at the .01 significance level.

Research Question 4: What are the characteristics of those two-year colleges and foundations which have achieved above average levels of support as measured by total funds raised? The specific characteristics

assessed are a) involvement of the president in fund raising activities; b) the level of staff support; c) fund raising strategies used; and d) sources of private support.

a) Involvement of the the president in fund raising activities. Although the majority of presidents of colleges in both the high and low success groups serve on the board of directors of the foundation and attend meetings regularly or always, presidents of colleges in the high success group are more actively involving in soliciting funds. More than half (14) of the presidents of colleges in the high success group made seven or more calls on individuals or corporations for the purpose of soliciting funds as compared to less than one-fifth (5) of those in the low success group. This finding confirms work of Glandon [1987] and Duffy [1979] who found that the participation of the president in fund raising activities was a characteristic of successful two-year college foundations.

b) Staff support for foundation activities. Colleges in the high success group provide more staff support for the foundation activities than do those in the low success group. The 26 colleges in the high success group reported a total of 22.56 full-time equivalent professional and 14.15 full-time equivalent clerical positions were devoted to providing support for the foundation. The 32 colleges in the low success group reported a total of only 6.56 full-time equivalent professional and 4.85 full-time equivalent clerical positions to provide support for the foundation. The average institution in the high success group provided the equivalent of 0.875 professional and 0.71 clerical positions while the average college in the low success group provided only 0.29 professional and 0.23 clerical positions to support foundation activities.

Only 19 of the 58 respondents indicated that the foundation employed staff. However, foundations associated with colleges in the high success

group provided more staff support than those in the low success group. Twelve foundations in the high success group employed the equivalent of 1.13 professional and 1.35 clerical staff as compared to 0.32 professional and 0.39 clerical staff employed by seven foundations associated with colleges in the low success group.

c) Fund raising strategies used. There is little difference between those in the high success group and those in the low success group in terms of the strategies used to raise funds. Both groups reported that personal solicitation of corporations, personal solicitation of individuals, and direct mail campaigns were the most frequently used methods of raising funds. However, colleges in the high success group reported that they used more methods than those in the low success group. The mean number of fund raising methods used by colleges in the high success groups was 5.69 as compared to 4.34 for the low success group. There was also strong agreement between the two groups on the most effective fund raising methods in terms of funds raised. Personal solicitation of individuals, personal solicitation of corporations, and direct mail campaigns were considered to be the most effective fund raising methods by both groups.

d) Sources of private support. There was strong agreement on the donor groups which provided the most support. Both groups identified corporations and business as the most important source of funds. Individuals not associated with the college, and foundation board members as individuals, were ranked second or third by each group. Both groups also agreed that trustees/members of the college's governing board were the least productive donor group in terms of total funds raised.

Conclusions

- 1) The majority of two-year colleges in the Northeast have established foundations in order to seek private support. All but a few are actively engaged in fund raising.
- 2) Private support for two-year colleges has grown significantly over the period July 1, 1987, to June 30, 1990. Two-year public colleges in the Northeast have increased private support by 41.74 percent. Since the value of foundations assets also increased by more than 40 percent, it appears that two-year colleges are increasing their endowment funds.
- 3) Although there is a relationship between size of the service area and fund raising success, there are no other institutional characteristics such as age, mission, or enrollment, which preclude an institution from attracting above average levels of private support.
- 4) Colleges and foundations which provide a high level of financial and staff support for fund raising activities are able to attract higher levels of private support.
- 5) The personal involvement of the president in the solicitation of funds is essential to the success of the fund raising effort. Passive involvement such as serving on the board of directors and attending meetings is not sufficient to attract high levels of support.
- 6) Two-year public colleges attract a greater portion of their total private support from corporations and individuals not associated with the college than do private colleges. Alumni are not an important source of support for two-year public colleges.

- 7) Although public two-year colleges use similar methods to raise funds, those institutions which attract high levels of support use a greater number of fund raising methods than do those which are less successful.

Recommendations for Further Study

In order to expand and refine the base line data on funds raised by two-year colleges and the methods used, the following research would be helpful:

- 1) Research to determine if two-year college foundations in other sections of the the United States have shown similar growth in total funds raised and in the value of foundation assets.
- 2) Research to determine the relationship between number and type of staff support provided by the college and/or the foundation and the total funds raised in order to develop a staffing model for fund raising in the two-year public college.
- 3) Research to determine the relationship between fund raising expenses and funds raised by two-year colleges in order to enable colleges to determine the costs associated with fund raising and to evaluate the effectiveness of their fund raising efforts.
- 4) Research to determine the actual dollars or percentage of funds contributed by each donor group in order to better direct the fund raising efforts of two-year public colleges.
- 5) Research to determine the manner in which the board of directors of the foundation contribute to and participate in fund raising activities in order to help two-year public colleges to recruit and develop effective board members.

APPENDIX A
QUESTIONNAIRE

SURVEY QUESTIONNAIRE

Title of Individual Completing Survey _____

1. Does the college have an affiliated, charitable foundation?

- Yes No

If the college does **NOT** have an affiliated not-for-profit foundation, please return the questionnaire in the enclosed envelope. If the college has an affiliated foundation, please complete the questionnaire.

INSTITUTIONAL PROFILE

2. Check the statement that best describes your institution:

- Community college
 Vocational/technical college
 Other _____

3. Total enrollment (credit and noncredit) in the fall of 1989:

- | | |
|------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Less than 1,000 | <input type="checkbox"/> 5,500 to 6,999 |
| <input type="checkbox"/> 1,000 to 2,499 | <input type="checkbox"/> 7,000 to 8,499 |
| <input type="checkbox"/> 2,500 to 3,999 | <input type="checkbox"/> 8,500 to 9,999 |
| <input type="checkbox"/> 4,000 to 5,499 | <input type="checkbox"/> 10,000 or more |

4. The number of full-time equivalent students (FTE) enrolled in credit courses/programs in the fall of 1989:

- | | |
|-----------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Less than 500 | <input type="checkbox"/> 4,000 to 4,999 |
| <input type="checkbox"/> 500 to 999 | <input type="checkbox"/> 5,000 to 5,999 |
| <input type="checkbox"/> 1,000 to 1,999 | <input type="checkbox"/> 6,000 to 6,999 |
| <input type="checkbox"/> 2,000 to 2,999 | <input type="checkbox"/> 7,000 or more |
| <input type="checkbox"/> 3,000 to 3,999 | |

5. Estimated population in the college's service area:

- | | |
|---------------------------------------------|---------------------------------------------|
| <input type="checkbox"/> Less than 50,000 | <input type="checkbox"/> 350,000 to 499,999 |
| <input type="checkbox"/> 50,000 to 199,999 | <input type="checkbox"/> 500,000 or more |
| <input type="checkbox"/> 200,000 to 349,999 | |

FOUNDATION PROFILE

6. In what year was the foundation incorporated? _____

7. Check each year in which the board of directors of the foundation held at least one meeting:

- 1987 1988 1989

8. Check each year in which the foundation received \$3,000 or more in gifts/-contributions:
- 1987 1988 1989
9. Check each year in which the foundation actively solicited funds through direct solicitation or by sponsoring one or more fund raising event:
- 1987 1988 1989
10. Total funds raised by the foundation from all sources (as reported on IRS Form 990 or best available estimate):
- a. July 1, 1987 to June 30, 1988: \$ _____
- b. July 1, 1988 to June 30, 1989: \$ _____
- c. July 1, 1989 to June 30, 1990: \$ _____
11. Value of total assets of the foundation (estimate, if exact value is not available):
- a. July 1, 1988: \$ _____
- b. July 1, 1989: \$ _____
- c. July 1, 1990: \$ _____
12. Does the **FOUNDATION** employ staff?
- No staff employed by foundation
- Professional staff; number of FTE positions _____
- Clerical staff; number of FTE positions _____
13. What has been the average annual level of support provided by the **FOUNDATION** for expenses related to fund raising such as printing, postage, supplies, and prospect cultivation? (do not include personnel)
- Less than \$1,000 \$5,000 to \$7,999
- \$1,000 to \$2,499 \$8,000 to \$9,999
- \$2,500 to \$4,999 \$10,000 or more

INSTITUTIONAL SUPPORT FOR THE FOUNDATION

- 14a. Does the **COLLEGE** employ professional staff who provide support for the foundation?
- No.
- Yes, please list.

TITLE	HOURS PER WEEK	PERCENT OF TIME DEVOTED TO FOUNDATION
_____	_____	_____
_____	_____	_____
_____	_____	_____

14b. Does the **COLLEGE** employ clerical staff who provide support for the foundation?

- No. Yes, please list.

TITLE	HOURS PER WEEK	PERCENT OF TIME DEVOTED TO FOUNDATION
_____	_____	_____
_____	_____	_____
_____	_____	_____

15. Does the president serve on the board of directors of the foundation?

- Yes No

16. Does the president of the college attend meetings of the foundation board?

- Never Occasionally Usually Always

17. Does the president of the college participate in foundation activities by personally soliciting funds?

- Never Occasionally Usually Always

18. How many personal or corporate solicitation calls did the president of the college make during the period July 1, 1989, to June 30, 1990?

- None 4 to 6 More than 10
 1 to 3 7 to 10

19. Does the college or department budget include funds to support fund raising or prospect cultivation activities?

- Yes No

20. What has been the average annual level of support provided by the **COLLEGE** for expenses directly related to fund raising such as printing, postage, supplies, and prospect cultivation?

- 0 \$5,000 to \$7,999
 Less than \$1,000 \$8,000 to \$9,999
 \$1,000 to \$2,499 \$10,000 or more
 \$2,500 to \$4,999

21. During the period July 1, 1987, to June 30, 1990, have any of the following individuals attended conferences and/or workshops sponsored by external groups such as NCRD, CASE, or NSFRE?

- | | | |
|------------------------------|------------------------------|-----------------------------|
| President | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Dean/Director of Development | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Other College Employees | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| Foundation Board Members | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

FUND RAISING STRATEGIES

22. Has the foundation used any of the following methods to raise funds during the period July 1, 1987, to June 30, 1990? Rank each of the methods used on the basis of total funds raised. Rank first the method that produced the most revenue; rank last the method that produced the least revenue.

	USED	NOT USED	RANK
Direct mail campaign	<input type="checkbox"/>	<input type="checkbox"/>	_____
Phon-a-thons	<input type="checkbox"/>	<input type="checkbox"/>	_____
Sponsoring dinners or other social events	<input type="checkbox"/>	<input type="checkbox"/>	_____
Raffles or auctions	<input type="checkbox"/>	<input type="checkbox"/>	_____
Sponsoring cultural events	<input type="checkbox"/>	<input type="checkbox"/>	_____
Personal solicitation of individuals	<input type="checkbox"/>	<input type="checkbox"/>	_____
Personal solicitation of corporations	<input type="checkbox"/>	<input type="checkbox"/>	_____
Sponsoring athletic tournaments	<input type="checkbox"/>	<input type="checkbox"/>	_____
Proposals to private foundations	<input type="checkbox"/>	<input type="checkbox"/>	_____
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	_____

23. Rank from 1 to 7 the following donor groups on the basis of the total funds contributed by each group during the period July 1, 1987, to June 30, 1990. Rank 1 the group that provided the most support; rank 7 the group that provided the least support.

- _____ Alumni
- _____ College administrators, faculty, and staff
- _____ Corporations/businesses
- _____ Individuals not associated with the college
- _____ Other private foundations
- _____ Foundation board members as individuals
- _____ Trustees/members of the college's governing board

FOLLOW-UP INTERVIEWS

I plan to conduct interviews with ten individuals who responded to the survey in order to collect additional information on private fund raising in two-year colleges. If you are willing to consider participating in an interview, please fill in your name and telephone number. The terms and conditions of the interview will be thoroughly reviewed with the individuals selected before the interview is scheduled.

Name _____ Telephone _____

Return to:
 Elaine B. Ironfield
 Holyoke Community College
 303 Homestead Avenue
 Holyoke, MA 01040

APPENDIX B
INITIAL COVER LETTER

ELAINE B. IRONFIELD
Holyoke Community College
303 Homestead Avenue
Holyoke, Massachusetts 01040

January 3, 1991

«1»

Dear «2»:

I am conducting a study of the characteristics of two-year public colleges and foundations with successful fund raising programs by private foundations established to benefit two-year public colleges in the Northeast. This research is part of my doctoral study in Higher Education Administration at the University of Massachusetts. The purpose of this study is to collect baseline data on the status of college-related foundations and to identify the types of fund raising methods which are used by two-year public colleges, as well as the level of institutional support for private fund raising.

As the Dean for Development at a public two-year college and Executive Director of the college's foundation, I am aware of the growing interest on the part of two-year colleges in private fund raising. However, there is little data available on the level of support which public two-year colleges have been able to attract nor the specific fund raising methods that colleges have found to be the most productive. Two-year colleges also lack data on the relationship between the costs of fund raising and the funds raised. As public colleges seek to attract a higher level of private support, the results of this study may help them develop more effective strategies. When the study is completed, I will send each respondent a summary of the results. The National Council for Resource Development, an AACJC affiliated council, supports this study. A letter of endorsement from Thomas Henry, president of NCRD, is enclosed.

Although the survey instrument is coded to enable me to follow up on non-respondents, all responses will be held in confidence. Completed questionnaires and the coded list of institutions will be stored separately to protect the confidentiality of the data. Results of the study will be reported and analyzed in my dissertation and may subsequently be used in presentations or journal articles. Specific institutions will not be identified in any reporting of the data.

Since the scope of the study is limited to two-year public colleges in the Northeast, it is important that I receive a response from every institution. Please take a few minutes to complete the questionnaire and return it to me in the enclosed envelope. If you are not the individual chiefly responsible for private fund raising, please pass the questionnaire onto the appropriate person and urge them to complete it. Thank you for your cooperation.

Sincerely,

Elaine B. Ironfield

EBI/gs

APPENDIX C
LETTER OF ENDORSEMENT—
NATIONAL COUNCIL FOR RESOURCE DEVELOPMENT



National Council for Resource Development

An Affiliate of The American Association of Community and Junior Colleges

«DATA list all»

January 3, 1991

«1»

Dear «2»:

The National Council for Resource Development is vitally interested in research to document the effectiveness of efforts to secure private support for two-year colleges. Although there have been a number of studies on the characteristics of successful two-year college foundations, there has been little research to document the level of private support that two-year colleges have received or the fund raising methods that have been used to generate that support.

The results of this study on foundations which have been organized to benefit two-year colleges in the Northeast will provide valuable data on the status and success of foundations in this region. Since many two-year colleges are increasing their efforts to attract private support, the results of the study will help college presidents, development officers, and foundation board members identify those fund raising strategies which are used by the most successful foundations in this region. The study also seeks to determine the relationship between the costs of fund raising and the funds raised. Colleges will be able to use this data to evaluate their current fund raising techniques and assess alternative strategies.

The National Council for Resource Development has expanded its activities to provide training in private sector fund raising for development personnel in two-year colleges. Our ability to disseminate successful strategies will be enhanced by the results of this study.

I urge you to please take a few minutes to complete this questionnaire. Information about your college's efforts to secure support from the private sector is vital to this study.

Sincerely,

Thomas Henry, President
National Council for Resource Development

TH/gs

Enc.

APPENDIX D
FOLLOW-UP COVER LETTER

ELAINE B. IRONFIELD
Holyoke Community College
303 Homestead Avenue
Holyoke, Massachusetts 01040

«DATA list-follow up»

January 25, 1991

«1»

Dear «2»:

Several weeks ago I wrote to you to ask you to participate in a study of private support for two-year public colleges. This study, which is a component of my doctoral studies at the University of Massachusetts-Amherst, has been endorsed by the National Council for Resource Development.

Unlike previous research on private support which is focused on the characteristics of successful college-related foundations, this study is designed to gather data on the level of funds raised and the fund raising methods that have been found to be the most effective. I believe that the results of this study will be helpful to colleges which are attempting to develop, revive, or strengthen their efforts to attract private support. Naturally, I will share my findings with the colleges who participate in the study.

Since this study is limited to public two-year colleges in the Northeast, it is very important that I secure your response. Will you please take a few minutes to complete the survey and return it to me in the enclosed envelope. Although the surveys are coded, all results will be reported in a manner that will protect the confidentiality of your response.

Thank you for your cooperation.

Sincerely,

Elaine B. Ironfield

EBI/gs

Enc.

APPENDIX E
INTERVIEW REQUEST LETTER

ELAINE B. IRONFIELD
Holyoke Community College
303 Homestead Avenue
Holyoke, Massachusetts 01040

«DATA interview request»

March 1, 1991

«1»

Dear «2»:

Thank you for completing my survey on two-year public colleges and foundations with successful fund raising programs. When you returned the questionnaire, you indicated that you would be willing to participate in a telephone interview. The purpose of the interview is to collect additional information on the involvement of various groups in the fund raising efforts sponsored by the foundation, the importance of various fund raising strategies, and the level and type of institutional support for fund raising. The interview will require approximately 30 minutes of your time and will be scheduled at your convenience.

In order to comply with research procedures, I have enclosed a written consent form which describes the purpose of the interview and how the information you provide will be used. If after reading the form you are willing to participate in a telephone interview, please sign the form and return it to me in the enclosed envelope. I will then contact you to arrange a convenient time for the interview.

Thank you for your cooperation.

Sincerely,

Elaine B. Ironfield

EBI/gs

Enc.

APPENDIX F
INTERVIEW CONSENT FORM

Written Consent Form

To Participants in This Study:

I am Elaine Ironfield, a graduate student at the University of Massachusetts in Amherst. The subject of my doctoral research is "Characteristics of Two-Year Public Colleges and Foundations with Successful Fund Raising Programs." I am interviewing individuals who responded to my written survey in order to gather additional information on the involvement of various groups in the fund raising efforts sponsored by the foundation, the effectiveness of strategies used to raise funds, and the level and type of institutional support for fund raising. While these topics will provide the structure of the interview, my intent in the interview will not be to seek answers to these questions but rather to stimulate discussion on your experiences within the framework these questions establish.

My goal is to analyze the material from your interview in order to better understand how your college has pursued support from the private sector. I am interested in learning more about what strategies you found to be successful, how various groups and/or individuals contributed to your efforts, and the level of resources the college and/or the foundation provided to support the fund raising effort.

As a part of my dissertation, I may refer to the information which you provide in the interview as examples of strategies or involvement that have been found to be effective or not effective in particular types of colleges or communities. In the future, I may also incorporate this material in professional presentations and journal articles. I will not refer to you or your institution by name nor will I describe you or your college in terms that will enable others to identify you in my dissertation nor in presentations or publications.

Each interview will be audiotaped and later transcribed by me or by a typist who will not be connected with your college and who will be committed to confidentiality. Written transcripts will not identify you or your college by name. A code number will be assigned to your tape and used in the transcription. Code numbers will be stored in a secured file, separate from the transcription. All tapes will be erased when the transcriptions are completed.

You may, at any time, withdraw from the interview process. You may withdraw your consent to have specific excerpts used, if you so notify me within 10 days of the interview. If I were to use any materials in any way not consistent with what is stated above, I would request your additional written consent.

In signing this form, you are also assuring me that you will make no financial claims for the use of the material in your interviews; you are also stating that no medical treatment will be required by you from the University of Massachusetts should any physical injury result from participating in this interview.

.....

I, _____, have read the above statement and agree to participate as an interviewee under the conditions stated above.

Signature of Interviewer

Signature of Participant

Date

APPENDIX G
INTERVIEW GUIDE

INTERVIEW GUIDE

1) Why was your college foundation able to raise \$_____ over the last three years?

A. Donor Groups

- | | |
|----------------------|-----------------------|
| 1. alumni | Critical _____ |
| 2. individual donors | Important _____ |
| 3. corporate donors | Some Importance _____ |
| | Not a Factor _____ |

B. Institutional Factors

- | | |
|---------------|-----------------------|
| 1. size | Critical _____ |
| 2. location | Important _____ |
| 3. reputation | Some Importance _____ |
| | Not a Factor _____ |

C. Foundation/College

- | | |
|--------------|-----------------------|
| 1. directors | Critical _____ |
| 2. president | Important _____ |
| 3. staff | Some Importance _____ |
| | Not a Factor _____ |

D. Strategies

- | | |
|----------------------|-----------------------|
| 1. annual fund | Critical _____ |
| 2. special campaigns | Important _____ |
| 3. special events | Some Importance _____ |
| | Not a Factor _____ |

2) How does the college provide financial support for fund raising/friend raising expenses including staff?

- | | |
|-------------------------------|---------------------------------|
| 1. Personnel | Grants _____ |
| 2. Direct Expenses | Trust Funds _____ |
| 3. Equipment | Discretionary Account _____ |
| 4. Prof. Development/Training | Budget Line Item _____ |
| | Absorbed in Several Areas _____ |

3) How much time do paid staff members actually devote to fund raising/friend raising activities in an average month?

- | | |
|-------------------|-----------------------------------|
| 1. Director | Primary Responsibility _____ |
| 2. Clerical Staff | Significant Portion of Time _____ |
| | Minimal _____ |

4) What are the roles key individuals in fund raising solicitation?

- | | |
|-----------------------------|--------------------------|
| 1. President | Significant _____ |
| 2. Foundation Board Members | Important _____ |
| 3. Director | Somewhat Important _____ |
| | Minimal _____ |

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