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**An assessment of effective fund-raising policies used at private,
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Grohar, Albin H., Ph.D.

Andrews University, 1989

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Andrews University
School of Education

**AN ASSESSMENT OF EFFECTIVE FUND-RAISING POLICIES
USED AT PRIVATE, CHURCH-RELATED
UNDERGRADUATE COLLEGES**

A Dissertation
Presented in Partial Fulfillment
of the Requirements for the Degree
Doctor of Philosophy

by
Albin H. Grohar
July 1989

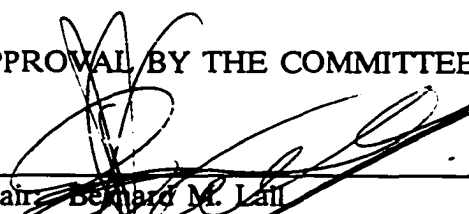
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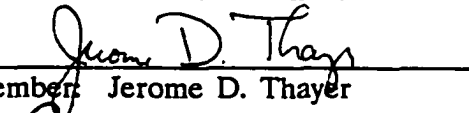
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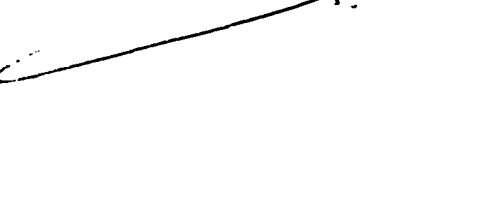

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ABSTRACT

**AN ASSESSMENT OF EFFECTIVE FUND-RAISING POLICIES
USED AT PRIVATE, CHURCH-RELATED
UNDERGRADUATE COLLEGES**

by

Albin H. Grohar

Chair: Bernard M. Lall, Ph.D.

ABSTRACT OF GRADUATE RESEARCH

Dissertation

Andrews University

School of Education

**Title: AN ASSESSMENT OF EFFECTIVE FUND-RAISING POLICIES
USED AT PRIVATE, CHURCH-RELATED UNDERGRADUATE
COLLEGES**

Name of Researcher: Albin H. Grohar

Name and degree of faculty advisor: Bernard M. Lall, Ph.D.

Date completed: July, 1989

Problem

Much of what is known concerning fund-raising policies and practices at colleges in the United States is anecdotal. Few empirical studies have focused on any aspect of fund raising. No known empirical study has identified those fund-raising policies that might help church-related colleges to be more effective in generating gift income from private philanthropy. The purpose of this study was to bring to light those fund-raising policies that may be associated with effective fund-raising programs at church-related colleges.

Method

Typically, fund-raising productivity is associated with total funds raised. An alternative way of assessing fund-raising effectiveness is to compare what each institution raises to its income potential, if this can be measured.

Through multiple regression techniques, this study estimated the gift income potential of 234 church-related colleges using a set of financial resource and environmental position variables. By comparing the schools' actual income to their potential income, groups of overproductive and underproductive colleges were identified. A survey was sent to colleges in each group to determine the extent to which they implemented 16 fund-raising policies identified in the fund-raising literature. Hypotheses were developed to highlight those policies that were significantly associated with overproductivity in fund raising.

Findings

1. Significantly more of the overproductive colleges had a full complement of fund-raising functions such as an annual fund, prospect research, capital giving, and deferred or planned giving.
2. Overproductive colleges assigned a higher number of staff to the function known as institutional advancement.
3. Overproductive colleges had larger mailing lists of prospects.
4. A significantly higher number of overproductive colleges published a "President's Report."
5. Significantly more of the overproductive colleges had active trustee committees for development.

Conclusions

Productivity in fund raising among church-related colleges is associated with higher levels of fund-raising effort, institutional responsiveness and accountability, and trustee leadership and involvement.

DEDICATION

This dissertation is dedicated to my parents, Maria and Alexander L. Kirk, and to my wife, H. Irene Grohar. To my parents . . . for their encouragement along my educational journey. To my wife . . . for her unfailing and persevering support.

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Ultimately, to our God, whose presence and gentle assurance is always with all of us.

CHAPTER I

INTRODUCTION

During the past two decades, the dynamics of higher education can perhaps be justifiably characterized by two events: an increased competition among institutions and the mounting instability and insecurity about their balance sheets.

Competition within higher education seems at its highest presently--public versus private, private versus private, church-related versus independent, church-related versus church-related (sometimes even intra-denominationally). In this climate, higher education, and private institutions in particular, must also become increasingly competitive, and effective, in the way it elicits the financial support of its varied constituencies. Appropriate levels of financial support can be especially important to church-related, private institutions.

This study concerns itself with identifying the policies that are related to successful, that is, effective fund-raising programs at private, church-related colleges.

While public support for higher education is positive presently, lack of public confidence was pervasive two decades ago. Richards and Sherratt (1981) characterize it thus:

First, the student disturbances of the late 1960s created a negative image that has been very hard to erase. Second, the mystique of a college education has been eroded as a larger segment of the population goes on to college. Third, higher education has failed to articulate clearly what it can and cannot do and therefore has failed to

counteract the misperceptions that society has concerning what should be expected from a college education (p. 6).

James Fisher (1986), former president of the Council for Advancement and Support of Education (CASE) and a leading spokesperson for higher education, in his foreword to A. Westley Rowland's Handbook of Institutional Advancement, summarizes the challenges facing higher education in this way:

Despite the leveling off of inflation, costs in labor intensive education are rising faster than resources. Enrollments are a major issue as the number of eighteen-to-twenty-two-year old students declines. With federal and state support wavering and the competition for students growing, tensions between private and public institutions mount. (pp. ix-x)

The situation facing higher education is not all negative. The hand-wringing and despair that many have evoked in looking at the outlook for higher education may not be entirely justified. Richards and Sherratt (1981) offer the following assessment:

The Carnegie Council has projected a 5 to 15 percent enrollment decline among the 18-to-22-year old students that colleges have traditionally attracted (Carnegie, 1980). At the same time, there has been a marked increase in the number of older students enrolling in higher education, and there is a possibility of further increases. The Carnegie analysis states that public confidence in colleges and universities has been rebounding over the past few years, although it remains an issue of continuing importance . . . the best evidence of that confidence is the public's willingness to fund higher learning. Despite inflation, revenues for higher education have held steady and are projected to retain their 2.1 percent share of the G.N.P. . . . Overall, however, the present climate indicates substantial strength for higher education, conditions may be better than academic forecasters have observed. (p. 43)

While there is some room for optimism, the competition among institutions of higher learning is real and has resulted in the adoption of various strategies to meet the financial crises many have faced.

In a competitive climate, the institutions that must battle crises the hardest are those private colleges and universities without a national constituency and following. Astin and Lee call these the "invisible colleges," a descriptive rather than an evaluative term. They believe that the key problem of these institutions is their "obscurity and the consequent lack of concern for their welfare within the community of higher education" (Astin & Lee, 1972, p. 2).

In their study for the Carnegie Foundation for the Advancement of Teaching, Astin and Lee (1972) find that these institutions are not at the forefront in the higher education market:

Like most status systems, it (higher education) comprises a few elite and widely known institutions, a substantial middle class, and a large number of relatively unknown therefore 'invisible' institutions. Although most Americans know the names of the prestigious private universities, the state universities, and the distinguished private colleges, and while most are aware of the expanding state colleges and the burgeoning system of two-year colleges, few realize that one of the largest segments of the higher educational population--at least one-third of all the four-year institutions--consists of relatively little-known private colleges. (p. 1)

The authors further describe these institutions' plight as:

. . . . the third-class citizen, the unassimilated, the 'outsider.' It faces most of the same problems (as other schools) but always on a more severe scale. Because the invisible college is private, it gets only limited support from the state. Because it is unknown it suffers in the competition for federal grants. Because its financial resources are pitifully scant, it cannot make attractive offers to students needing financial help. . . . (pp. 10-11)

Church-related schools often fall into this institutional category: "Because the invisible college is often church-related in a society that is increasingly secular, it must grapple with the question of retaining affiliation or severing the bonds with its parent church" (Astin & Lee, p. 11).

Hobbs (1981) writes about the overlap between small and church-related institutions: "Not all Christian colleges are small, to be sure, nor are all small colleges church-affiliated, but the overlap between the two is extensive. For the Christian college, part of its description of its fundamental mission--perhaps the key part--is the phrase 'the integration of faith and learning'" (p. 25).

Looking at the special problems faced by many church-related institutions, Hubbard (1985) notes: "In seeking support from the community, a church-related college must often counter a history of isolationism. At the same time, the college may find itself competing for funds within its own sponsoring denomination" (p. 12).

The solution to the financial plight many institutions face is simple to state, yet more complex to achieve. In 1975, Allan Pfnister summarized the ways institutions of higher learning can meet their financial crises: "(1) increase income, or (2) decrease expenditures, or (3) work with a combination of both" (p. 47).

Most institutions have undoubtedly used all three approaches recommended by Pfnister. Much of the descriptive and research literature in this area deals with the efficient use of resources available to a college. There is also much prescriptive counsel available on the "how-to's" of resource acquisition. Little research is available that deals with the effectiveness of resource acquisition and its improvement. Yet, effective resource acquisition may be vital to private colleges generally, and to especially church-related institutions. Colleges and universities are generally engaged in two types of resource acquisition: student recruitment and fund raising. Most American colleges and universities have organized structured fund-raising programs and supportive staffs. Fund raising is only one

function of the broader educational function that in recent years has become known as institutional advancement.

Institutional advancement . . . refers to a synchronized and total program to advance the understanding and support of a college or university. Its dominant concern is resources: acquiring, interpreting, and maintaining them as an aid to the institution in particular and to higher education in general. Although it was regarded with suspicion in the past, institutional advancement has become fundamental to managing higher education in the 80s. (Richards & Sherratt, 1981, p. 7)

Westley Rowland (1956) amplifies on the role of institutional advancement:

The willingness of society, either narrowly conceived or broadly interpreted, to support higher education will be determined over the long run by how people feel about the institution, how well they understand its mission, to what extent they feel that it contributes to their total welfare, and ultimately, how deeply they are willing to dig down into their pocketbooks to support it. That is why institutional advancement is as important a function as any in a college or university, for in the final analysis, it makes the institution possible. (p. 10)

In a later publication, Rowland outlines the constituent functions of institutional advancement to include institutional relations, fund raising, alumni administration, government relations, publications, enrollment management, and executive management (Rowland, 1986, pp. xiii-xxiii).

The impact of fund raising on the income of private colleges is significant. The Council for Financial Aid to Education (CFAE) notes that for 1984-1985, private four-year colleges received \$933 million in voluntary, private support from all sources (CFAE, 1984-1985, p. 7). This support amounts to 9% of the current fund revenues of these institutions.

At a time when institutional labor costs are rising faster than resources, the income generated through voluntary gifts could well make the difference in the quest for balanced budgets.

Gary Quehl (1981), president of the Council for Advancement and Support of Education, agrees on the positive role advancement can play on behalf of small colleges. Following a brief review of the problems these schools face, he continues: "However, there is much hope. The schools that have a rich and powerful image of the future are not only surviving but thriving. A visionary and creative institutional advancement program can be the key to a school's self-determination and prosperity in the future" (p. 1).

An institution's ability to increase its income from private gifts has a great deal to do with how effective its fund-raising program is in trying to generate these dollars. Fisher puts it this way: "To be equal to the challenge, fund raisers, communicators, alumni administrators, government relations officers, and others in advancement must increase their professionalism (Rowland, 1986, p. x).

Roger Parrot (1985) touches on the effectiveness issue as it relates to fund-raising programs at many church-related colleges:

Your church-related institution can be successful at fundraising, both inside and outside the church. But first you must stop using your denominational affiliation as an excuse for failure. That outlook is a weak justification for an ineffective program. (p. 17)

Because fund raising is still a relatively new professional function in education, much of what is written about is anecdotal. While there are many articles in professional but generally non-scholarly publications that deal with specific ways of improving fund-raising programs, there is little work in which empirical methods have dealt with the effectiveness of fund-raising programs in education. No work has been done on effectiveness in fund raising at church-related, undergraduate colleges.

In summary, the past two decades comprise a period of increased competition and financial distress for all types of colleges and universities in the United States. The financial situation has been particularly stressful at private colleges. To many, their survival has been at stake. Because of their seeming obscurity, church-related colleges face special difficulties in competing for the some \$1 billion in private gifts given to private institutions.

There is little or, in the case of church-related colleges, no published research dealing with fund-raising effectiveness. Thus, there is a lack of empirical data that suggest what the elements of an effective and well-balanced fund-raising program at church-related institutions might be.

Statement of the Problem

The central question that this study aims to answer is: What are the fund-raising policies that are most effective for a private, church-related college to increase its income from private philanthropy?

As stated above, presently there is no available study that analyzes the relationship that might exist between the success that some private, church-related colleges experience in fund raising and the policies that comprise their fund-raising programs. Is there a difference between effective and non-effective colleges in terms of the fund-raising policies they implement? This study attempts to investigate such a relationship.

Purpose of the Study

The purpose of this study is to identify the fund-raising policies that can lead private, church-related colleges to increase their income from private contributions.

Fund-raising literature is filled with prescriptive recommendations on how private colleges may best generate gifts. While there is an unwritten consensus on the effectiveness of various approaches to fund raising, there is little empirical evidence to validate it. Relatively little research establishes a statistical relationship between the implementation of fund-raising policies and the amounts of funds raised. Furthermore, no literature analyzes this relationship for church-related institutions.

Methodologically, the purpose of the study is accomplished, first, by identifying optimum fund-raising policies as described in available prescriptive literature, and second, by surveying church-related colleges to determine the extent to which these policies are implemented. The effectiveness of these policies can be validated by relating their use to the amount of funds raised by the sample of institutions surveyed.

This design is complicated by the fact that total funds raised may not be the best measure of assessing the effectiveness of the fund-raising policies used. Robert Helsabeck (1973) puts it this way: "Certainly an organization that acquires X units of needed resources from its environment when only X + 1 units are available in the potential resource base is more effective than an organization that acquires X units when X + 50 units are available (pp. 9-10).

To use total funds raised as a criterion to determine effectiveness may lead the investigator to confuse the "fortunate" organization with an "effective" one. Helsabeck suggests the use of a potential resource base against which an institution's resource acquisition may better be judged to be effective or ineffective.

To deal with this problem, this study uses a methodology developed by William Pickett. Pickett (1977) first designed a way of assessing an institution's resource potential. He then determined fund-raising effectiveness by comparing resources actually acquired to the potential available to each institution studied (p. 8).

A college that raised more than its predicted estimate is termed as effective or "overproductive." Conversely, an institution that raised less than its predicted estimate is classified as "underproductive" in this study.

Finally, "overproductive" and "underproductive" church-related colleges are then compared for the fund-raising policies they implemented. This study tried to determine whether there are statistically significant differences between the sets of fund raising policies implemented by the two groups of institutions.

Delimitations

This study is limited to private, church-related and church-controlled, undergraduate colleges in the United States. Colleges can be clearly identified by type of control in the 1982-1983 edition of Voluntary Support of Education published by the Council for Financial Aid to Education (CFAE). Because 1982-1983 was the last year in which the CFAE classified undergraduate schools by type of control, it was important for this investigation to use data beginning with this particular year. However, 1982-1983 was only one of three academic years for which data was collected. The other two years were 1983-1984 and 1984-1985.

Any conclusions resulting from this study may not be applied to public institutions or private institutions other than church-related, undergraduate colleges. It may be said, however, that the application of Pickett's methodology to

this particular set of private institutions may help in validating this particular study design. If this methodology can be validly applied to other types of institutions in the future, comparative analyses may be possible.

Income from four private sources is considered in accumulating data for this study: alumni, non-alumni individuals, foundations, and business corporations.

The study sample is drawn from the 356 private, undergraduate colleges coded as church-related or church-controlled by the CFAE. This group represents 61% of the private, undergraduate colleges that reported income data to the CFAE for 1982-1983.

Definition of Terms

The following terms are utilized with a specific meaning in this study:

Annual Fund. The structured, organized annual program by a college or university to obtain income from contributions to support its current operation.

Capital Campaign. The organized effort by a college to obtain contributions to support a major project that is not a part of its current operation. Capital campaigns are frequently implemented across several years and their proceeds are used to build or renovate facilities, acquire major pieces of equipment, initiate new programs, or build endowments.

Case Statement. A prospectus that outlines the reasons why an institution seeks and deserves financial support. Typically, a case statement includes a brief history of an institution, information about its accomplishments and credibility, its plans for the future, and the financial requirements to fulfill these plans.

Cultivation. The process a college uses to nurture a prospective donor. It involves all of those activities to help a prospect become better acquainted with the programs and people of the college. The process involves much communicating and educating, and its objective is to prepare the prospective donor for solicitation.

Institutional Advancement. An institutional effort that includes the functions of institutional or public relations, fund raising (also referred to as development), alumni administration, government relations, publications, enrollment management, and executive management.

Planned Giving. Planned or deferred giving refers to the efforts of a college to attract contributions through such means as bequests, trusts, annuities, or life insurance.

Prospect Research. An effort aimed at identifying prospective donors and at obtaining informational background on them. Prospects may include individuals, corporations, and foundations.

Solicitation. The process of asking a prospective donor to make a financial contribution to an institution.

Organization of the Study

Chapter 1 comprises an introduction, a description of the problem and purpose of the study, its delimitations, and definition of specialized terms.

Chapter 2 presents a review of the literature in five areas: organizational theory, previous research in fund-raising effectiveness, available financial resources, environmental positioning, and commonly accepted fund-raising policies.

Chapter 3 describes the research methodology, detailing its design and procedure.

Chapter 4 reports on the findings of the study, presents and analyzes the data, and tests the hypotheses that the study postulates.

Chapter 5 summarizes the study, states and discusses its conclusions, and provides appropriate recommendations.

CHAPTER II

REVIEW OF LITERATURE

While this review of literature aims to focus on all relevant aspects of this study, it would be presumptuous to assume that this search has dealt with every single aspect or philosophical implication related to this study.

The review has been divided into five sections, each dealing with a key aspect of this study.

1. The first section presents a review of selected literature on organizational theory. Fund-raising effectiveness has for many years been understood in about as many ways as there have been writers to define it. The vagueness on this subject stems from a lack of relating the issue of effectiveness to some theoretical model. This section attempts to deal with this issue.

2. The second section reviews previous studies on fund-raising effectiveness. Although most have contributed by providing much descriptive material on the subject, only one study, that of William Pickett, produced an explicitly stated model to measure fund-raising effectiveness. In essence, his model is used in this study and is applied to gain an insight into fund-raising effectiveness among church-related colleges.

3. The third section reviews information on some of the financial resources available in a college's environment. These are number of alumni, number of

families with incomes over \$50,000 in the Standard Metropolitan Statistical Area closest to a college, total number of grants made by foundations in a college's home state, and value added by manufacturing to the Standard Metropolitan Statistical Area closest to a college.

4. The fourth section notes that a college's position in its environment--that is, its perceived quality and influence--may be measured by factors such as its in-state enrollment, cost of attendance, graduate school attendance of its alumni, its age, value of endowment, extent of federal research support, head count enrollment, and proximity to a Standard Metropolitan Statistical Area.

5. In the fifth section, commonly accepted fund-raising policies are identified. These include resources spent on fund-raising, type of fund-raising organization used, fund-raising functions utilized, number of professional staff, use of a case statement, the size of contribution mailing lists, solicitation calls, outside professional counsel, publications, the use of giving clubs, use of trustee committee on development, presidential role in fund raising, tenure of chief advancement officer, and the use of evaluation in the fund-raising program.

Organizational Theory

The purpose of this study is to identify those fund-raising policies that are most effective at church-related colleges. To use total of funds raised as the primary criterion of effectiveness may, as stated above, lead observers of the fund-raising profession to confuse the "effective" college with the "fortunate" one.

Pickett (1986) explains:

Consider the difficulty of using total dollars raised as the criterion of effectiveness. Suppose college A raises \$1 million and college B raises \$3 million. An obvious conclusion might be that college B is clearly the more effective. However, if another important and realistic

factor is added, the conclusion might be reversed. Say that it was possible to determine the potential fund raising achievement of each college and that college A had a potential of \$2 million whereas college B had a potential of \$9 million. It then appears that college A achieves 50 percent of its potential and college B achieves only 33 percent of its potential. From this point of view, college A is the more effective college and is the one worthy of further study to determine the variables underlying fund raising effectiveness. (p. 232)

With efforts to professionalize institutional advancement and fund raising, as one of its component activities, attempts to help define fund-raising effectiveness seem timely. One way of accomplishing this is to relate effectiveness to some underlying theoretical framework. An examination of modern organizational theory can lead to a better understanding and possible acceptance of some standard against which effectiveness may be measured.

In outlining the ways organizations may be studied, Thompson (1967) places them under two general models: the rational model which stems from a closed-system strategy for studying organizations, and the natural-system model, which flows from an open system strategy (p. 4).

Of the closed system, Thompson states: ". . . the ingredients of the organization are deliberately chosen for their necessary contribution to a goal, and the structures established are those deliberately intended to attain highest efficiency (p. 4).

The closed-system model for studying organizations minimizes the number of extraneous variables; it aims to reduce possible forms of uncertainty. Closed-system thinking applies to organizational structures where the stakes are high and performance is crucial. Thinking in the closed-system mode is contrasted to adventurous thinking (p. 4).

Thompson includes scientific management, administrative management and bureaucratic organizational theories under the closed-system model (p. 5).

An open-system mode assumes the expectation of uncertainty. Regarding open-system organizations, Thompson says:

If, instead of assuming closure, we assume that a system contains more variables than we can comprehend at the time, or that some of the variables are subject to influences we cannot control or predict, we must resort to a different sort of logic. We can, if we wish, assume that the system is determinate by nature, but that it is our incomplete understanding which forces us to expect surprise or the intrusion of uncertainty. (p. 6)

Open-system thinking views organizations as non-autonomous entities; the best laid plans by managers can be affected by other social units, other complex organizations, or publics in the environment. In essence, the organization is itself quite dependent.

Thompson concludes his thoughts on these models by suggesting that one is not necessarily locked into an either/or choice situation. He explains:

In practice, it would seem, the more variables involved, the greater the likelihood of uncertainty, and it would therefore be advantageous for an organization subject to criteria of rationality to remove as much uncertainty as possible from its technical core by reducing the number of variables operating on it. Hence if both resource-acquisition and output disposal problems--which are in part controlled by environmental elements and hence to a degree uncertain or problematic--can be removed from the technical core, the logic can be brought closer to closure, and the rationality increased.

Uncertainty would appear to be greatest, at least potentially, at the other extreme, the institutional level. Here the organization deals largely with elements of the environment over which it has no formal authority or control. Instead, it is subjected to generalized norms, ranging from formally codified law to informal standards of good practice, to public authority, or to elements expressing public interest.

At this extreme the closed system of logic is clearly inappropriate. The organization is open to influence by the environment...which can change independently of the actions of the organization. Here an open system of logic, permitting the intrusion of variables penetrating the organization from outside, and facing up to uncertainty, seems indispensable. (pp. 11,12)

Peters and Waterman (1982), authors of In Search of Excellence: Lessons from America's Best-Run Companies, concur with Thompson: "The numerative, rationalist approach to management dominates the business schools. It teaches us that well-trained professional managers can manage anything. It seeks detached, analytical justification for all decisions. It is right enough to be dangerously wrong, and it has arguably led us seriously astray" (p. 29).

These authors add: "It (the closed system model) doesn't tell us what the excellent companies have apparently learned. It doesn't teach us to love the customers. It doesn't instruct our leaders in the rock-bottom importance of making the average Joe a hero and a consistent winner (p. 29).

In studying colleges and universities in terms of their fund-raising effectiveness, these organizations must be viewed as open organizational systems. Effectiveness in fund raising is substantially a function of an institution's successful interaction with its environment, its alumni, its friends, the corporations, and the foundations in its area of impact. The institution itself has no absolute control on how and to what extent these elements in its environment will provide financial resources to help it, to nurture it, to support its philosophy and programs. The open-system organizational model seems to be the most appropriate for use in this study.

Among organizational theorists, Katz and Kahn (1978) are perhaps the best known proponents of the open system model. They explain:

Open system theory emphasizes the closer relationship between a structure and its supporting environment. It begins with the concept of entropy, the assumption that without continued inputs any system soon runs down. One critical basis for identifying and understanding social systems is therefore their relationship with the energetic sources for

their maintenance. For almost all social systems, the most important maintenance source is human effort and motivation.

The other major emphasis in open system theory is on throughout: the processing of production inputs to yield some outcome that is then used by an outside group or system. Thus the hospital meets the health needs of the community, and the industrial enterprise turns out goods or furnishes services. In any system, these functions can be identified by observing the cycle of input, throughout, and output.

From an open system point of view the constancy of environmental inputs cannot be assumed but must continually be the subject of investigation. Thus the nature of the environment--its stability, turbulence, and degree of organization, for example--become a critical area of study. The behavior of an organization is contingent upon the social field of forces in which it occurs and must be understood in terms of the organization's interaction with that environmental field.
(p. 3)

Unlike physical systems such as in the biological realm, these authors add, organizations are not bound by the limits of physical structure. As social systems, organizations also have structure, but it is a structure of "events rather than physical parts, a structure therefore inseparable from the functioning of the system" (pp. 67-68).

As with all systems, social systems have constituent subsystems. With organizations these subsystems are, in essence, their functions. As outlined by Katz and Kahn, they are the production or technical, the supportive, the maintenance, the adaptive, and the managerial (pp. 51-59).

Katz and Kahn summarize these organizational functions or subsystems thus:

. . . the production or technical subsystem, primarily concerned with the organizational throughout; the production-supportive subsystems of procurement, disposal, and institutional relations; the maintenance subsystem for attracting and holding people in their functional roles; the adaptive subsystem, concerned with organizational change; and the managerial subsystem, which directs and adjudicates among all the others. The presence of these subsystems and the formal role pattern in terms of which they function are among the major defining characteristics of social organizations as a special class of open systems. (p. 68)

Regarding the supportive subsystem itself, these authors specify further:

Supportive subsystems carry on the environmental transactions of procuring the input or dispensing of the output or aiding in these processes. Some transactions are a direct extension of the production activity of the organization, importing the material to be worked on or exporting the finished product. Others are indirectly related to the production cycle but supportive of it, maintaining a favorable environment for the operation of the system.

Relating the system to its larger social environment, for example, by establishing external legitimization and support, is sometimes referred to as the institutional function. In general, the top echelon of an organization, such as the Board of Trustees, would be responsible for this function and would often have some degree of membership in outside structures. Thus, the supportive subsystems concerned with environmental transactions include the specific procurement or disposal activities as well as the more general activities of securing favorable relations with larger structures. (p. 52)

In the college or university setting then, the entire institution is not involved in maintaining records or recruiting students directly, but separate functional offices are designed to meet these institutional needs. Likewise, the development offices are subsystems organized to generate the gifts and grants the institution requires.

The success of development offices as supportive functions depends both on the resources available in the institution's environment and the "effectiveness of the techniques used to acquire the available resources" as Pickett (1977) points out (p. 20).

Summarizing then, an organization such as a college or university is greatly dependent on its environment for the input of energy, students, better qualified faculty, financial support, etc. An educational institution will form special units (subsystems) to generate resources from its environment. The success of these activities depends on the potential resources in the environment and the set of techniques or strategies the institution uses for resource acquisition. The perceived

"position" of the college in its environment is also crucial to its success. Ultimately, an institution's effectiveness in acquiring resources from its environment can be measured by the proportion of those resources it actually generates for itself.

Previous Research on College Fund-Raising Effectiveness

There has been much confusion as writers have tried to define what effectiveness in fund raising is. There seems to be a consensus among most writers in the field, however, on the need to professionalize the fund-raising function. Some of the best counsel on this subject has come perhaps from someone sitting on the other side of the contributions desk, a grant maker. Speaking to grant-giving professionals, Robert Payton (1984), former president of the Exxon Education Foundation, stated: "Professionals have a moral obligation to understand what they do and why they do it, as well as how they might do it better and--at some point--even how they might better their own condition in the process" (p. v).

Empirical studies on fund-raising effectiveness are generally lacking. In this review only seven studies that attempted to highlight the effectiveness of fund-raising policies in higher education were identified.

In 1969, John Leslie published Focus on Understanding and Support: A Study in College Management. In his book, Leslie made the first serious attempt to study fund raising in higher education. He sent a questionnaire entitled "New Trends in Public Relations and Fund Raising at U.S. Colleges and Universities" to 1,200 institutions. He received 700 replies, but used only 105 he considered to be useable and representative of four-year institutions (p. 5).

Regarding fund raising effectiveness, as Leslie defined it (. . . the degree to which objectives are successfully achieved), his study concluded the following:

A relatively high rank correlation ($t/a = 8.8$) was found between advancement program expenditures and gift dollars.

The correlation became slightly higher ($t/a = 9.1$) when only fund raising and public relations expenditures were matched with gift income; on the other hand, public relations expenditures (information services and publications) showed much less of a correlation with gift dollars.

The cost of raising funds, advancement program expenditures as a percent of gift income, was approximately 15 to 20 cents per dollar with a wide range both ways. As an institution raises more money, its advancement program expenditures per gift dollar decrease.

Private institutions which allocated the larger portion of their advancement program budgets in fund raising tended to receive slightly more gift dollars than those which allocated the larger part to public relations activities. (p. 28)

As a first major study of fund raising, Leslie's study made significant descriptive and analytical contributions. He was the first to use three-year averages in institutions' gift incomes as a method of softening the statistical effect of major gifts in any given year. He also verified that deferred gifts had little impact in changing the ranking of colleges by total gifts.

Yet, in defining fund-raising effectiveness, Leslie did not consider the fund-raising potential available to each of the 105 institutions analyzed. He therefore fell short of discriminating between the effective and the "fortunate" institutions, as Helsabeck and Pickett note.

In 1971, Leslie published another study: Seeking the Competitive Dollar: College Management in the Seventies. As in his previous study, he analyzed the cost of institutional advancement programs, staff salaries and sizes, organizational patterns and trends in advancement. He also continued using total dollars raised as a criterion of effectiveness in fund raising, rather than the fund-raising potential in an institution's environment.

In 1967, Robert Crammer studied the development programs of the 40 colleges that were members of the Council for Advancement of Small Colleges (CASC) during 1962 and 1963. He developed a list of 49 variables that could possibly be related to the success of development efforts at the surveyed colleges. Using the Pearson Product Moment correlation technique, he found the following variables to be significant at the .01 level: corporate gifts, church gifts, gifts from trustees, total gifts from parents and friends, special gifts, organized alumni programs, person-to-person solicitation, accreditation, and organized deferred giving (p. 142).

Again, none of Crammer's 49 variables were related to the resource potential that existed in the CASC colleges' environments.

In 1972, Ishoy studied the fund raising functions of 120 institutions. Included in his sample were 16 state institutions, 102 private colleges and universities, and 2 public community colleges. The dependent variable of this study was net fund raising gain per student, a statistic he calculated by subtracting fund raising expenditures from total gifts received and dividing the result by the enrollment of each college or university.

His regression formula yielded an $R^2 = .6488$ for independent variables that included number of fund raising staff, fund-raising budget, fund-raising goal, and students enrolled.

As in previously quoted studies, Ishoy did not consider using the fund-raising potential available in the institutions' environments in assessing fund-raising effectiveness.

In 1981, the Council for Advancement and Support of Education (CASE) published a study which Wesley Willmer undertook as a dissertation project. Willmer's study is a comprehensive description of the advancement process at 191 colleges which were members of the Council for the Advancement of Small Colleges (CASC) in 1978. His central focus was on the process of institutional advancement at these schools, not "the content or products of advancement programs" (Willmer, 1981b, p. 5).

Willmer's theoretical framework centered on five elements in the advancement programs: institutional commitment, authority and organizational structure, personnel resources, advancement activities and functions, and evaluation (p. 9). He established 23 bench marks as a framework for successful advancement programs at small colleges.

Since Willmer did not deal with the "products" of fund-raising programs, he did not offer conclusions regarding effectiveness. However, he did hint at the way fund-raising effectiveness could be measured: "A college's environmental position, the socioeconomic status of its graduates and current students, the endowment (if any), and the climate for scholarship and institutional aid in the state all play big roles in the total picture of the small college (p. 115).

More recently, Dunn and Hutten (1984), staff members at Tufts University, compared Tufts to 27 other colleges and universities in their own region in terms of how well these institutions did in fund raising. The institutions they chose were similar to Tufts in size, program mix, and quality. These authors ranked their sample of institutions and compared them with Tufts to an "aspiration level" for fund raising at Tufts.

The variables that were found to be significant in this study were number of alumni, percentage of alumni contributing to the annual fund, and average gift size. Dunn and Hutten used total dollars raised and private support leverage as dependent variables. The private support leverage variable was defined as total dollars raised as a percentage of an institution's educational and general expenditures (pp. 30-34).

As did other authors, Dunn and Hutten did not use the potential resources available to each college as a measure of fund-raising effectiveness.

Of all studies reviewed, it appears that only the dissertation by William Pickett provided a theoretically based model for measuring fund-raising effectiveness. Pickett was the first, and only author to date, to use the resource potential of each institution he studied as a standard measure to assess fund-raising effectiveness. Pickett (1986) summarizes the postulations that framed his study thus:

All institutions raise differing amounts of gift income. Some raise hundreds of millions a year; others seem to scrape by with a few hundred thousand or less. Even institutions that appear to be quite similar rarely raise the same amounts of gift income. It is important for fund raising practitioners to understand the basic dynamics that determine ultimate fund raising success or failure. This understanding rests on two notions. First, total dollars raised is not the best measure of fund raising success or failure. Second, important institutional and non-fund raising policies have substantial impacts on ultimate fund raising effectiveness. (pp. 231-232)

Pickett (1977) first proposed that the amount of resources available in a college's environment determined in part that college's fund-raising potential. He selected four variables to measure available financial resources: number of families earning \$50,000 or more in the Standard Metropolitan Statistical Area (SMSA) nearest the college, dollar value of grants made by foundations in the

college's home state, the value added by manufacturing to the SMSA nearest the college, and the college's number of alumni.

Of these four variables, only the number of alumni was significant in explaining the variation of gift income in Pickett's sample of 184 institutions (pp. 121-122).

Since his other three variables were geographically related, and not statistically significant in explaining colleges' gift income variance, Pickett concluded that locational factors were not important in explaining the colleges' gift income variance (p. 122).

Second, Pickett postulated that a school's fund-raising potential was at least in part also related to its position in its environment. "The better access a college had to the available resources, the more of these resources it would acquire" (p. 122). He selected eight variables to measure each college's position: in-state enrollment, cost of attendance, graduate school attendance of alumni, age of college, value of endowment, federal research and development support, tenure of president, and headcount enrollment.

Of these variables, five--market value of endowment, cost of attendance, age of college, in-state enrollment, and graduate school attendance of alumni--were found to be significant.

Pickett concluded that the environmental position of a college was important in determining a college's fund raising potential (p. 123).

Third, Pickett used both the resource availability and environmental position factors as independent variables in a multiple linear regression to predict the variability of his sample's gift income. Of these, four were found to be

significant in explaining the variation in gift income: market value of endowment, cost of attendance, number of alumni, and percentage of senior class entering graduate school (pp. 124-125).

Pickett concluded that generally wealth, socioeconomic level of clientele, size and academic quality were important in determining colleges' access to financial resources (p. 125).

Fourth, Pickett used these four factors as independent variables to predict each college's income. After comparing the amounts his regression formula yielded to the gift income the colleges actually raised, he ranked the colleges into overproductive and underproductive institutions. Using a questionnaire, he finally used statistical means to identify those fund-raising policies that typified the overproductive schools. The policies that were significantly associated with overproductivity were:

- 1. higher mean expenditures for institutional advancement**
- 2. greater number of institutional advancement staff**
- 3. fund raising programs composed of annual giving, capital giving, deferred giving, and prospect research**
- 4. larger number of names on mailing list**
- 5. existence of institutional case statement**
- 6. existence of active trustee committee on development.**

Pickett reduced these six policies into three broad policy concepts: trustee leadership, sense of institutional direction, and fund raising effort (pp. 127-128).

Pickett has been the first and only source to use potential resources available in each institution's environment as a measure of fund-raising effectiveness. His

sample included 184 private, four-year colleges. His study did not intend to analyze fund-raising effectiveness among any sub-groups of institutions. By his own admission, his methodology needs to be validated by using samples of various institutional groups.

During 1982-1983, the first of three statistical years used in this study, 581 private undergraduate colleges reported contributions income information to the Council for Financial Aid to Education (CFAE).

It is well to note that no study on fund-raising effectiveness at church-related undergraduate colleges has been made to date. In addition to providing validation, the application of Pickett's methodology to this sub-group of institutions can yield some valuable lessons on the kinds of fund raising policies implemented at effective church-related schools, schools which Astin and Lee (1972) have included among the "invisible" colleges.

Of the 581 private, undergraduate institutions reporting to the CFAE, 356 or 61% are church-related or church controlled, as defined by the CFAE.

In summary, in this review, only seven studies that explored the issue of fund-raising effectiveness were found. While most of these were pioneering studies that have shed ample light on the subject of fund raising in higher education, only one, the study by William Pickett (1977), proposed a theoretical model for assessing effectiveness in fund raising. In it, he postulates that effectiveness can be measured best when actual gifts raised by institutions are measured against the potential resources available in their environments.

Using statistical methods, mostly multiple regression, Pickett was able to identify those fund-raising policies that characterized those institutions he

identified as overproductive, the ones that raised more funds than they were expected to raise via statistical projections. The fund-raising policies these overproductive colleges implemented were related to trustee leadership, sense of institutional direction, and fund-raising effort.

Pickett recommends replication in the use of his study methodology. To date, no analysis of fund-raising effectiveness among church-related, undergraduate institutions has been provided. This study was intended to fulfill this objective.

Financial Resources Available in the Environment

In the review of literature concerning organizational theory, three types of independent variables were identified: financial resources available in a college's environment, positional factors of the college relative to those resources, and the set of fund-raising policies implemented by a college.

This, the third section of this literature review, explores the first of these variable sets, financial resources available in the environment. The constituent elements of this variable are identified and appropriate measurements are defined in this section of the review. The other two sets of variables are explored in the fourth and fifth sections of this chapter.

The Council for Financial Aid to Education (CFAE) has published Voluntary Support of Education, an annual survey of private, voluntary contributions received by colleges and universities since 1954. Because of this survey's continuity and comprehensiveness, it is the best available resource on contributions to higher education in the United States.

In its 1986 edition, which reports contribution information for 1984-1985, the CFAE noted that contributions to private higher education amounted to \$3.545

billion, more than twice the support given to public higher education (CFAE, 1986, p. 7).

During this same year, private comprehensive institutions received \$594 million and private baccalaureate colleges received more than \$933 million.

In addition to accumulating other institutional statistics on enrollments, size of endowments, and specific forms of giving, the CFAE uses the following donor categories:

1. Corporations and Businesses
2. Religious Denominations
3. Alumni
4. Non-Alumni Individuals
5. Foundations
6. Other Groups and Sources

In its 30th anniversary report, for example, the CFAE reports statistics by donor type for all reporting educational institutions (CFAE, 1986, p. 4).

In Table 1, it is well to note that during 1979-80, 1983-84, and 1984-85, the support provided by alumni, non-alumni individuals, corporations, and foundations account by far for most of the private financial contributions given to higher education. During these three years, the proportion of support by these four sources amounted to 88.3%, 90.2%, and 89% respectively.

Because of the funding predominance of these four sources, this study concentrates on them. The support from religious denominations is not equally available to all church-related colleges. Thus, this statistic is not a consistently useable variable.

TABLE 1

**CONTRIBUTIONS TO HIGHER EDUCATION
A THREE-FISCAL-YEAR COMPARISON**

	1979-80	1983-84	1984-85
Total Voluntary Support (millions of Dollars)	\$3,800	\$5,600	\$6,320
Sources			
Alumni	910	1,305	1,460
Non-Alumni Individuals	847	1,316	1,416
Corporations	696	1,271	1,574
Foundations	903	1,081	1,175
Religious Organizations	155	190	208
Other	289	437	487

Following is a discussion of these four principal giving sources.

Alumni

According to Kent Dove (1986), colleges and universities began to organize their alumni for financial support in the 1820s, but it was not until after the Civil War that alumni and other individuals became centrally important to fund raising. The Civil War produced a number of new millionaires who had benefitted from the conflict. By the War's conclusion, the concept of stewardship became secularized. During the later 19th and early 20th centuries, capitalists, among them Andrew Carnegie and John D. Rockefeller, began underwriting libraries, museums, research, and even entire universities (p. 292).

The extent of alumni contributions to their alma maters is a reflection of giving by individuals in the United States. The Association of Fund Raising

Counsel (AFRC) publishes Giving USA, an annual review on contributions and their trends. In its 31st issue, released in 1986, Giving USA reports that total giving across the nation in 1985 totaled \$79.8 billion, and that almost 83% of this was contributed by individual donors (AFRC, 1986, p. 7).

The publication also notes that during 1985 giving to education amounted to \$11.05 billion, 13.8% of all philanthropy in the United States. "The share of philanthropy going to education has remained at the same approximate level for nearly 25 years" (Giving USA, 1986, p. 54).

As noted on Table 1, giving by alumni in 1985 totaled more than \$1.4 billion, over 23% of all private contributions to higher education (CFAE, 1986, p. 4). The average alumni gift was \$118.45 and 20.3% of institutions' alumni participated by making a gift (CFAE, 1986, inside front cover).

As a resource available in the institutions' environments, the alumni variable has two elements: the number of alumni and their financial potential. In this study, the number of alumni is used as an independent variable. The total financial potential of the entire body of alumni is usually not known by a college.

Non-Alumni Individuals

Again, as shown on Table 1, non-alumni individuals contributed over 22% of all gifts to higher education, that is, \$1.4 of the \$6.3 billion given to colleges and universities. For 1983-1984, gifts from non-alumni topped those from alumni for the first time since 1977-1978 (CFAE, 1985, pp. 3-4). During this academic year, non-alumni individual gifts totaled 23.5% of the voluntary support for higher education.

Together, alumni and non-alumni individuals represent an impressive source of funds for higher education. For 1984-1985, they contributed \$2.8 billion, or almost 46% of all voluntary gifts.

It is also interesting to note that in its 1985 report, the CFAE states that private colleges received over 70% of non-alumni gifts and more than three quarters of alumni donations made (Voluntary Support for Higher Education, 1985, p. 9).

Relatively little is known about non-alumni donors. For obvious reasons, most colleges only release information pertaining to the number of these donors and the amounts that they contribute. Yet, most fund raisers who write about their profession agree that with the exception of the few well-known liberal arts colleges, most non-alumni who contribute to a college live in that college's geographical area.

As is the case with alumni, there are two ways of measuring the impact that non-alumni contributions can have on their recipient institutions: the number of individuals available in a college's geography and their financial resources. In the case of non-alumni individuals, however, it is possible to have access to both of these measures, since they are available through Bureau of Census data.

Foundations

As reported on Table 1, in 1984-1985, colleges and universities received almost \$1.6 billion from foundations, or 18.6% of all contributions to higher education.

The Foundation Center is the best known clearinghouse on foundation activity. In addition, the Center publishes the Foundation Directory (1985), which

in its 10th edition includes entries on 4,402 foundations. These account for \$63.1 billion in assets and \$4.1 billion in annual giving.

Although the Directory's foundations constitute only 18.7% of the active grant-making foundations in the United States, they represent 95% of the total assets and 85% of the total grant dollars awarded by private foundations in 1983. The Foundation Center estimates that there are a bit over 25,000 active foundations in this country. In its Directory, the Center includes only those foundations defined as community or private foundations which hold assets of at least \$1 million or which gave out \$100,000 or more in grants in the latest reporting year (The Foundation Directory, 1985, p. vi).

The Center reports that educational institutions are the primary recipients of foundation dollars, receiving 35.1% of foundation grants in 1984. Although the support of private universities and colleges has declined over the past few years, they still receive about half of the education dollars granted by foundations. In 1984, this totaled to over \$279 million (p. xxvii).

The Foundation Directory classifies all foundations into four categories:

1. **Independent foundations** are funds or endowments designated by the Internal Revenue Service (IRS) as a private foundation for the purpose of making grants. Most of these foundations receive their endowments from individuals or families.

2. As its name indicates, a **corporate-sponsored** foundation receives its funding from a parent profit-making corporation. Although such a foundation is independently constituted, its grant-making is likely to reflect the interests of the sponsoring corporation.

3. **Operating foundations** are private grant-making entities whose primary purpose is to operate research programs.

4. Finally, the **community foundation** is like "many private foundations," but its funds are derived from many sources rather than from a single source, as is frequently the case with private foundations. Community foundations are classified by the IRS as public charities and are subject to different rules and regulations under prevailing tax laws from those that govern private foundations (The Foundation Directory, 1985, p. vi).

Foundations are required to make annual informational returns to the IRS. The Foundation Center and other clearinghouses, many of them commercial, publish detailed program and grant information on foundations. In addition, some 30% of the foundations included in the Foundation Directory publish annual reports (p. xi).

Thus foundation information is reasonably available to development professionals who seek to obtain their share of foundation funding for their institutions (p. xxiv).

According to James Frick (1986), long-time chief advancement executive for the University of Notre Dame, educational institutions have reason to continue looking to foundations for support. "Foundation grants, I believe, will experience a 100 percent increase (by the year 2000) to something in excess of 6 billion dollars. And although this will constitute a decreasing percentage of total philanthropy, it will remain a very crucial segment of it" (p. 367).

According to the Foundation Center, foundations are not distributed evenly across the United States. The Directory divides the country into nine geographic

sections plus Puerto Rico. The largest proportion of foundations is located in the Directory's Middle Atlantic region (New Jersey, New York, Pennsylvania), which hosts 27.9% of these philanthropies. Almost 60% of all foundations are located in the Middle and South Atlantic and East North Central states, with the rest of the country sharing in the remaining 40% (The Foundation Directory, 1985, p. x).

Foundations located in California, Illinois, Michigan, New York, Pennsylvania, and Texas give out 71% of the total grant dollars reported. Foundations with national, high-profile programs are concentrated in these six states (p. x).

Fund raisers generally agree that the smaller colleges, among which many church-related institutions are included, are not very likely to access the "high-profile" foundations. Considering this factor and the geographic distribution of foundations, then, the best indicator of potential foundation funding available to any educational institution is the total of grants made by foundations in the institution's home state. This information is readily available through the Foundation Directory.

Corporations and Businesses

Although corporate and business support of charitable causes, including education, is significant, corporate-giving philosophy is not always devoid of controversy. Regarding their grant-making role, Payton (1984) observes: "Corporations are turning inward: they are less and less interested in the causes they support and more interested in turning their grants into sources of profit" (p. 9). Yet, corporations do award grants, and many do so in substantial amounts to nurture the relationship between the company and the campus.

Since 1982-1983, the CFAE reports that corporations have consistently out-given foundations in their support for education. In 1984-1985, this support amounted to \$1.57 billion, or 24.9% of all giving to education. This is a greater proportion than any other single supporting group (CFAE, 1986, p. 4).

The CFAE states that gifts from corporations averaged at more than \$1 million per reporting institution for the first time in 1984-1985 (p. 8).

The role of matching gifts is also significant in varying degrees to different types of institutions. "As in the past, they (matching gifts) were a larger share of total corporate support for private colleges than for public institutions and were of greater importance to the comprehensive and baccalaureate institutions than to other types. In 1983-84 and 1984-85 they provided 7.4% and 7.5%, respectively, of total corporate support" (CFAE, 1986, p. 10).

In addition to giving in cash, corporations and businesses make gifts of company products and other property. "Between 1983-84 and 1984-85, gifts of company products and all other in-kind items from companies increased by more than 50 percent, from \$159.8 million to \$248.3 million, and gifts of tangible property from all other sources grew by more than a quarter, rising from \$119.7 million to \$151.9 million. Some of this increase undoubtedly is the result of better reporting by the respondents" (p. 10).

There is some evidence that corporations tend to give in those geographical areas where their executive, manufacturing, marketing, sales, and other functional plants are located. Referring to corporate foundations and their parent companies, the Foundation Center notes: "In practice, company-sponsored foundations generally maintain very close ties with their parent companies. Their giving tends

to be in fields related to corporate activities or in communities where the parent company operates" (The Foundation Directory, 1985, p. vii).

Thus, the corporate element of a college's environmental resource potential can best be measured by the extent of business activity in the Standard Metropolitan Statistical Area nearest to each college in the sample. The measure to be selected in this study is the value added by manufacturing. This is a major investment by a corporation in an area. Data on this measure is obtained from the Census of Manufacturers.

Summarizing then, contributions from alumni, non-alumni individuals, foundations, and corporations account for 90% of all gifts made to higher education in the United States. It is possible to assess the potential financial resources available to a college by measuring the resources provided by each of these donor categories.

In this study, resources available from alumni are measured by the number of alumni. Resources available from non-alumni individuals are measured by the number of families with incomes over \$50,000 in the Standard Metropolitan Statistical Area nearest to a college. The total dollars granted by foundations in a college's home state is the measure used to assess the potential from foundations. Corporate resource potential is measured by the total value added by manufacturing to the Standard Metropolitan Statistical Area closest to each college in the sample.

The Position of the College in Its Environment

In its motivation to acquire a share of the resources available in its environment, the acquisition potential of a college is often a function of its position

with respect to those resources. Thompson (1967) hints at this concept when he reports on the work done by Dill: "To simplify our analysis, we can adopt the concept of task environment used by Dill (1958) to denote those parts of the environment which are 'relevant or potentially relevant to goal setting and goal attainment'" (p. 27).

Thompson elaborates further on an organization's ability of wielding more power in its environment than its competitors. The "cheapest" way of acquiring power, he states, is to acquire prestige. He reports an Perrow's conclusion that "if an organization and its products are well regarded, it may more easily attract personnel, influence relevant legislation, wield informal power in the community, and ensure adequate numbers of clients, customers, donors, or investors" (p. 33).

Pickett (1977) explains task environments thus:

For example, two colleges located in the same city will have the same external environment but different idiosyncratic task environments determined by the general character of each college. If one is all male and the other is all female, their task environments will reflect this difference. If one is high cost and one is low cost, again the task environments will differ. (p. 21)

With church-related colleges, many of which are among the "invisible" colleges, positioning can thus become critical.

The characteristics discussed in this section seem to be functions of the environmental position of an institution. The eight variables noted do not necessarily comprise an exhaustive list, but reflect commonly accepted notions about an institution. Other more relevant variables may exist that influence a school's position.

In-State Enrollment

In the discussion of the four principal contribution resources for higher education, it was noted that in the case of non-alumni individuals, foundations, and corporations, proximity to a college was an important determining factor for support. The identity of the college in its community is strengthened if that community is substantially represented in the college's enrollment.

This institutional variable is measured by the percentage of the freshman class from the home state of the college. Data for this variable are obtained from the College Handbook published by the College Entrance Examination Board.

Cost of Attendance

In his study, Pickett (1977) notes:

The socio-economic status achieved by students' families is a fairly valuable predictor of the socio-economic status achieved by students after graduation. This, in turn, will be related to the financial capability of alumni and their position of leverage in corporations and foundations. (p. 37)

The financial resources of students' families is thus related to the cost of attending each college. This study assumes that the tuition that an institution charges has something to do with the position it has, the reputation it has, in its environment. Tuition costs for each college are taken from the College Handbook.

Graduate School Attendance

To judge a college's academic quality solely on the basis of the percentage of its alumni who pursue graduate or professional studies may not be justifiable. Yet, academic quality seems to be much a matter of perception. This may be especially true with laymen who often control the resources available in a college's

environment. To these, the number of students pursuing further studies may be important.

Thus, the percentage of each college's graduating class attending graduate school is used as a measure of that college's position. These data will be taken from the College Handbook.

Age of College

An older college has a better identity, it is better established than a younger institution. Thus, the older school is likely to be better positioned in its environment. Its alumni and donor lists are likely to be larger; its alumni and other supporters are likely to be older and better endowed financially. The bottom line is that the older institution's philanthropic support is probably higher.

In a recent study, Willmer (1985) corroborates this. In the fall of 1984, he mailed a 7-page, 64-question survey to 273 member institutions of the Council of Independent Colleges (CIC). He comments:

As one would expect, the older the institution, the more gift income it generates. The mean total (unrestricted and capital) gift income, analyzed by age, is this: 11- 25 years--\$1,055,458; 26-50 years--\$1,207,987; 51-75 years--\$1,397,795; and 76 years or older--\$1,622,721. (p. 21)

The older college's extensive history of philanthropic support is critical for even greater levels of support.

This institutional variable is measured by the number of years each college has been in existence. These data are taken from The College Handbook.

Value of Endowment

The endowment of an institution is, as Williams and Hendrickson (1986) have noted, an index of its success (p. 21). Endowments are a reflection of a

college's past support and represent financial resources which are not spent annually but constitute a continuing source of income from a solid asset base. Large endowments are associated with financial stability, prestige and fund-raising success (p. 21).

The market value of endowment at the end of the school year 1984-1985 is used as a measure of this variable. Data are taken from Voluntary Support of Education (1986), the report published by the Council for Financial Aid to Education (CFAE).

Federal Research and Development Support

As mentioned above, the academic quality of an institution and its faculty is much a matter of perception. As such it is a complex variable. However, it can be related to the research conducted by a college's faculty. A faculty engaged in research enhances an institution's image and visibility and, as such, can be potentially more attractive to funders in the foundation and corporate community.

The federal government is the largest funder of research and development programs in higher education. The extent of federal research support to a college can thus be one measure of the quality of its faculty. The professional status of a college's faculty, then, can affect an institution's position in its environment.

This variable is measured by the total value of research and development dollars added by federal funding sources to the sample of colleges in this study. Data on this variable is taken from the annual survey on such support as compiled by the National Science Foundation.

Enrollment

The number of students a college has, to a great extent, determines the number of contacts it has with its giving constituencies. A greater proportion of students, alumni, and parents is likely to have favorable impact on contributions from these sources. In addition, a larger constituency increases the number of contacts with those who are in positions to make contributions to the college. Willmer (1985) has noted the positive correlation between enrollment and the extent of contributions (p. 20).

The enrollment variable is measured by the number of students enrolled in each college during the fall of 1985. Data for this variable are taken from the annual directory of colleges and universities published by the United States Department of Education.

Geography

As indicated above, metropolitan centers are known sources of wealth, with the number of families with high incomes and the value added by manufacture to an area's economy. A college's proximity to a metropolitan area may have a relationship with how well it is able to access that wealth. Pickett's (1977) study highlighted no significant relationship between geography and college's gift income potential. However, this writer holds that the geographical variable may not have been measured precisely enough in Pickett's study to highlight any relational association.

In this study, dummy variables were created to measure each college's distance from its closest Standard Metropolitan Statistical Area (SMSA). The

exact mileage to the nearest SMSA was gathered from The College Handbook for each college in the study's sample.

Summarizing this section, a college's position in its environment determines the share of financial resources it is able to carve out from that environment. The following characteristics have been used as measures of an institution's environmental position: in-state enrollment, cost of attendance, graduate school attendance, age of college, value of endowment, federal research and development support, enrollment, and geography.

Fund-Raising Policies

Once a college knows of the financial resources it may access in its environment, and its position is defined, success in fund raising will depend on the fund raising policies it implements, and the acquisition methods it uses.

The review of literature on this subject reveals that there are 16 fund-raising policies of importance:

1. Resources spent on fund raising
2. Fund raising organization
3. Fund raising functions used
4. Number of professional staff
5. Case statement
6. The size of a college's mailing list of prospects
7. Solicitation calls
8. Publication of a college newsletter
9. Use of outside professional counsel
10. Publications such as a "President's Report"

11. Giving Clubs
12. Publication of an honor roll of donors
13. Trustee committee for development
14. President's role in fund raising
15. Experience of chief advancement officer
16. Use of evaluations.

The following is a review of literature on these policies.

Resources Spent on Fund Raising

As noted Chapter 1, fund raising is but one of the functions in a large institutional-relations concept known as institutional advancement.

Richards and Sherratt (1981) note the activities of institutional advancement to include alumni relations, fund raising, public relations, internal and external communications, and government relations (p. 6).

Rowland's 1986 edition of the Handbook lists the advancement functions as follows: institutional relations, fund raising, alumni administration, government relations, publications, and executive management (pp. xiii-xxiii).

In his pioneering work on institutional advancement, Leslie (1971) found that total advancement expenditures are a better measure of total funds raised by an institution than fund-raising expenditures alone because of the interrelationship among all of the advancement functions. As shown on Table 2, Leslie noted the close correlation between dollars spent on institutional advancement programs and the amount of gift income a college realizes (p. 19).

Commenting on this finding, Leslie observes "the wide range of expenditures to get the same gift income. One institution spends \$400,000 to attract \$1,000,000

TABLE 2

**GIFT INCOME AND INSTITUTIONAL ADVANCEMENT
EXPENDITURES**

Quartile	Gift Income Range*	Median IAP
1st	1,000,000 to 3,000,000	300,000
2nd	750,000 to 1,000,000	150,000
3rd	350,000 to 750,000	111,000
4th	200,000 to 350,000	90,000

* 1967-70 figures for both gift income and median IAP

in gift income, while another expends only \$100,000 for the same number of gift dollars" (p. 19).

Leslie's conclusion hit at the center in this type of study. "Obviously, then, many factors affect both gift income and expenditures: allocation of professional staff, skill of the staff, affluence of the constituency, geographical location, to name just a few of the factors" (p. 19).

Again, Pickett's (1977) dissertation emerges as a pivotal study. It deals with the kinds of variables that Leslie did not measure, yet intuitively thought to have a bearing and impact on fund-raising effectiveness in higher education.

Pickett also reports that "overproductive" fund-raising programs spend much more than do underproductive ones. Fewer than a third (30.2%) of the overproductive colleges spent less than \$100,000 annually on advancement programs while 63.2% of the underproductive colleges spent under \$100,000. At the other end of the scale, 30.2% of the overproductive colleges spent more than

\$200,000 annually while only 7.9% of the underproductive colleges spent to that extent on advancement (p. 90).

Willmer (1985) compares the statistics two of his studies generated on the subject of resources invested in advancement programs. In 1984, he found that the mean percentage of these institutions' educational and general expenditures allocated to advancement was 7.9%. In 1976, this figure was 6.0%. Although the percentage of investment varies by institutional size, colleges are spending more on institutional advancement programs. "Institutions as a whole increased their budgetary allotments for advancement by nearly one-third over eight years" (p. 18).

Willmer also looked at the costs colleges had to raise each gift dollar. "I found that the cost to raise \$1 for the mean total income (unrestricted and capital) ranges from 10 to 16 cents per gift dollar, with a mean of 11 cents. The mean fund raising cost to raise unrestricted dollars ranges from 20 to 36 cents per gift dollar, with a mean of 26 cents" (pp. 20-21).

Using the term "development" for fund raising, Harold Seymour (1966), whom many have considered the dean of fund raising, addresses the issue of resource allocation for fund raising and advancement with some philosophical perspective:

I would urge that no development office should ever willingly undertake any new activity or new project without a plan, a budget, and a staff. I've seen, as other veterans have, many a staff portfolio literally choked to death because additional function has been assigned without the necessary tools, man-hours, and money for expenses. The willing horse may win admiration but he seldom wins races. (p. 119)

The resources invested in the advancement process, then, constitutes a major fund-raising policy variable.

Fund-Raising Organization

In his study, Pickett (1977) compares decentralized and centralized organizational staffing patterns for advancement functions. In a decentralized pattern, various advancement functions, such as public relations or alumni affairs, report directly to the president of a college. In a centralized pattern, all advancement function personnel report to a chief advancement officer, many times a vice-president, who in turn reports directly to the institution's chief executive (p. 44).

Regarding the organization of the advancement program, Leslie (1969) notes: "If the institution is to derive maximum effectiveness from its advancement program, the manager must be a part of the president's chief executive staff together with managers of the academic, student and business activities" (p. 53).

On the same subject, Jacobson (1978) adds:

One of the most important indicators is the degree to which the institutional advancement coordinating officer contributes to policy decisions of the university. Two major factors determine the officer's contribution to policy. These are rank and relationship with the president, other executive officers, and the governing board. The coordinating officer should have a position in the top echelons of the organizational hierarchy, preferably in the executive officers' group. Many observers believe that the closer the top officer is to the center of university power and decision making, the more commitment the university has to the function. (p. 28)

Willmer (1981b) agrees: "The advancement officer is important to the life and the survival of a small college. He or she should play an integral part in institutional policy decision making. To assure this, the chief advancement officer should report to the president, and should be a member of the president's administrative cabinet" (p. 22).

In the same study of the member colleges of the Council of Independent Colleges (CIC), Willmer reports that 93% of the chief advancement officers in his sample reported to the president. Ninety-eight percent assume a position in the top executive officers' group and 75% of the institutions have an organizational pattern in advancement that encourages the centralization of authority (p. 103).

It seems then, that the centralized organizational pattern for advancement functions in colleges is the most effective way of providing leadership for advancement programs.

Fund-Raising Functions

In 1966, Seymour referred to occasional capital campaigns, consistent annual giving by all elements of an institution's constituency, and deferred or planned giving through bequests and trusts as the "three legs of the fund raising tripod" (p. 116).

Willmer's (1981b) findings agree:

The colleges surveyed show evidence of offering full-fledged fund raising programs, but need to improve the fund raising process. The survey population expends 64.3 percent of its fund raising efforts for annual unrestricted monies. . . . Seventy-three percent of the responding institutions belong to an association of colleges organized to raise annual funds. . . . In the area of deferred gift solicitation, 77 percent of the colleges actively solicit bequests, 64 percent actively solicit annuities, and 67 percent actively solicit trusts. (p. 109)

Frantzreb (1981b) also notes the need for these functions by stating that every institution should have a comprehensive development plan that includes "(1) current fund programs for operating support, (2) an ongoing asset-building program for physical plant and endowment requirements, and (3) a planned gift program consisting of deferred gift devices . . ." (p. 1).

Kristin Goss (1989) explains the elements of what constitutes planned or deferred giving, noting that most institutions established such programs in the 1970s:

Planned or deferred giving is a broad term encompassing a variety of financial arrangements in which the donor gives an asset such as stocks or property, to a non-profit organization but still reaps benefits from the gifts long as the donor lives. In essence, the institution agrees to assume the burden of investing or managing the asset, while the donor enjoys a tax break and often receives regular payments from the charitable institution. After the donor dies, the gift is 'released' most commonly to the organization's endowment. (pp. 4-5)

Presently nearly 240 colleges and universities have planned giving programs.

On capital campaigns, Dove (1986) writes: "A capital campaign is an organized fund raising effort on the part of an institution to secure extraordinary gifts and pledges for a specific purpose of purposes during a specified period of time" (p. 292).

Pickett (1986) adds the importance of prospect research: "Whatever resources are made available for fund raising should be used to provide professional staff attention to annual giving, planned giving, capital giving, and prospect research. . . . It is clear that a major reason for overachievement is the combination of these four basic programs" (p. 236).

Number of Professional Staff

In his studies published in 1971, Leslie found a tentative relationship between the number of professional staff and gift income. Rowland (1974) recommended a set of priorities for colleges developing an institutional advancement program, the first of which was: "Secure the commitment of the

president of the institution to a viable institutional advancement program, properly staffed with an adequate budget" (pp. 4-12).

Rowland adds:

It is agreed by most of those who have studied the administration of the institutional advancement function that four persons, perhaps three in certain cases, constitute the minimum professional staff to implement an effective institutional relations program. (p. 6)

Concerning staffing, Pickett (1986) comments:

Overachieving colleges spent more money and employed more staff than underachieving colleges. Remember that the overachieving colleges were not those that raised more money than the underachieving ones but rather those that significantly exceeded their potential. . . . They were serious about fund raising and made the investments of money and personnel required for success. (p. 236)

Willmer (1985) notes a relationship between college size and the number of advancement staff (Table 3). Although the wide range in the average number of staff precludes making any specific conclusions from his data, generally the number of staff in the various advancement activities is a function of college size. "Both quality and quantity of advancement professionals are essential components of small college programs. In addition to the skills and experience of advancement officers, small institutions need sufficient numbers of trained staff members" (p. 20).

Case Statement

Most contemporary writers in the field of fund raising stress the importance of institutional planning, the setting of an institution's direction, and the formulation of goals and objectives in fund raising in pursuit of institutional goals. In fund raising, the integration of institutional goals and ideals into a written prospectus for the purpose of seeking contributions is known as a case statement.

TABLE 3

**NUMBER OF FULL-TIME EQUIVALENT
INSTITUTIONAL ADVANCEMENT PROFESSIONALS**

Enrollment	Range of Total Mean		Breakdown of Means by Function			
	Low	High	Alumni	Fund Raising	PR	Admissions
Up to 500	1	2	1	2.3	2.1	1.8
501-750	2	14	1	2.5	2.7	2.5
751-1,000	1	9	1.5	2.8	3.4	2.9
1,001-1,250	2	20	1.4	2.7	3.9	2.6
1,251-1,500	3	18	1.1	3.1	2.8	3.0
1,501-2,000	4	19	1.2	3.9	4.1	3.3
2,001-2,500	5	19	1.4	4.0	4.5	4.2

Note. From "A Large View of Small Colleges" by W. K. Willmer, 1985, Currents, p. 20.

On the issue of planning, Schwab (1982) states: "The dramatic transitions taking place in our society and our economy and the resulting impact on the educational enterprise demand that schools begin to develop new strategies for looking at the future" (p. 7).

Schwab goes on: "Since development is vital to the financial health of our schools, it must be included in the total planning process. Planning cannot succeed without development, nor can development accomplish its goals without an overall plan. The two must closely interrelate" (p. 10).

Reinert (1982), chancellor of St. Louis University writes concerning an institution's case statement:

This process (planning) begins with what is called 'building a case' for the institution. Using the data provided in the academic blueprint, you must write a development plan that outlines in detail the school's unique academic goals, special motivations for support, volunteer leadership, timetables, designation of responsibility, and so forth. (p. 15)

Willmer's (1981b) study on small colleges confirms that to a large extent, institutions are taking the planning function seriously. Ninety-one percent of the institutions he surveyed indicated that their objectives are in writing and clearly known to the advancement officer. Eighty-one percent of the surveyed institutions indicated that the advancement office has written annual goals and objectives, aside from a single dollar goal (p. 99).

Pickett (1986) is emphatic about his findings on the importance of the case statement to an institution's fund-raising program:

The most significant difference between overachievers and underachievers was that significantly more of the overachievers had a clear sense of institutional direction, as evidenced by a written case statement. The existence and use of a written case statement was an important indication that the college had gone through the process of long range planning. It had reviewed its past and present, assessed its environment and the demands likely to be faced in the future, and focused its efforts through the lens of institutional mission. This process had been formal enough so that the resulting product was written. (p. 235)

Mailing Lists

Although Pickett (1977) interpreted this finding to be more a function of institutional size, his study did establish that overproductive colleges had significantly larger mailing lists of prospects than the underproductive schools (pp. 103-104). Although most schools' lists are probably composed of their alumni,

some colleges may enlarge these lists with non-alumni prospects as well as foundations and corporations.

Solicitation Calls

Ultimate to the fund raising process, is the asking stage--the solicitation. To raise money, someone has to ask someone else for the contribution. Schwab (1982) looks at the solicitation process thus:

Actual solicitation--a process that consists of providing information appealing to the prospect's special interests, answering any question he or she might have, and, finally, requesting support in a relatively specific amount or within a specific range consistent with the individual's giving capacity. The cardinal rule in solicitation is to plan the approach to each major prospect on an individual basis. (p. 11)

In his first survey, Leslie (1969) concluded that there was some correlation between the number of solicitations made and the amount of gifts to an institution. He further identified the institution's president, trustees, volunteers, faculty, and development staff as possible solicitors for gifts (pp. 44-45).

Following his 1981 study, Willmer concluded on solicitations:

Among the survey population, the largest volume of face-to-face requests for money are being made by the staff--not the president or trustees. Thirty-two percent of the colleges' professional staff are making eight or more face-to-face solicitations each month. Of all the \$100- plus donors and prospects solicited face-to-face, trustees average 9 percent of the calls, the president 24 percent, the staff 49 percent, and volunteers 18 percent. (1981b, pp. 109-110)

Thus it may be assumed that the president of an institution would become involved in requesting the larger gifts that it receives. The evidence supplied here does not allow for a firm conclusion of who the best solicitor for an institution is. A comprehensive approach that involves the president, trustees, volunteers, faculty, and the advancement staff, each chosen appropriately depending on the

prospective donor, is probably the policy for colleges to follow. There is, however, general consensus on the concept that the more an institution asks for support, the more it will receive.

Outside Professional Counsel

Many writers recommend the use outside professional counsel in the fund raising process. Schwartz (1986) writes:

Fund raising is not a science but an art. It deals with a field in which the methods and problems are increasingly complex. To be effective, a fund raising manager must have access to many different skills. Effective professional counsel has grown with these developments and includes staff who can deal with many specialties. (p. 350)

When an institution is ready to consider a major fund-raising effort, professional counsel almost always recommends a pre-campaign study, or a development planning or feasibility study, as these are interchangeably called. Such a study is aimed at assessing objectively the chances that an institution has to achieve its campaign goals.

Professional counsel conducts interviews of various members of the institution's constituencies including alumni and other friends, corporate and foundation officers, and political representatives in the area of the institution. Counsel tries to assess the institution's influence and impact in its region and strives to ascertain the perceptions that these publics have of the institution. Outside counsel also helps the institution to obtain volunteer leadership from these constituents for its fund-raising campaign (pp. 350-351).

Other services professional counsel provides include general planning for the campaign including goal-setting, the time needed to plan and achieve the campaign goals, campaign phases, staff and financial resources needed. Counsel also

analyzes the internal management of an institution's development program, helps develop a prospect management system, provides executive searches, and aids with the application of computer technology and the development of publications (pp. 353-360).

Publications

In CASE's Handbook for Development Officers at Independent Schools, a compendium quoted earlier. Robert E. Tinker (1982), a partner in Gunser, Gerber, Tinker, Stuhr, a well-known fund raising firm, writes on the importance of publications to fund raising. "To achieve the objectives of the institution, regular communication with key publics is essential if the school is to have their understanding, earn their cooperation, and gain their acceptance" (p. 35).

Tinker further suggests that a publications program may include three special pieces: a quarterly news bulletin sent to all of the institution's publics, internal and external, semi-annual newsletters reporting on matters of special interest to alumni and donors, and an annual report to provide an overview of the year just ended (pp. 36-37).

Pickett (1977) generally agrees, maintaining that there are three types of publications that impinge on fund-raising process: a regular newsletter, a president's report, and what he calls an honor roll of donors.

The newsletter provides regular news about the institution, its students and faculty, new programs, awards, and major gifts. The president's report "is a formal report on the activities, accomplishments and difficulties of the preceding year." Pickett's honor roll of donors is a printed listing of those individuals and organizations that have provided financial support to the institution in the

preceding year. It is not unusual "to have the Honor Roll included as part of the President's Report" (p. 51). In essence, this honor roll gives recognition to an institution's donors, which will aid in the effectiveness of the fund-raising program.

Giving Clubs

Closely related to the need for donor recognition is the recommendation by most writers in fund raising that educational institutions should establish giving clubs. In CASE's Handbook for Development Officers at Independent Schools, Robert Crow (1982) says: "Special gift clubs for annual support do work. This should not be news to anyone in fund raising. . . . Why a special gift club? It tends to raise everyone's sights as to the financial needs of the school" (p. 119). Although Crow's comment was meant to apply most directly to independent secondary schools, it is at least equally appropriate for colleges and universities.

Gift clubs are set up to offer special recognition and membership to those alumni and friends who because of their gifts' size merit special attention. In addition to publishing lists of these donors' names, club membership, and recognition usually involves special plaques or certificates, special dinners with the college president, and invitations and access to various special events and activities sponsored by the institution.

Trustee Committee for Development

Regarding the participation of an institution's trustees in the whole process of fund raising, Reinert (1982) notes:

Too often the trustees of an institution do not play the important essential role that is theirs in the fund raising process. The fiscal health of the institution is their responsibility, not solely that of the school head. There should be a committee of the board specifically and primarily responsible for the fund raising and development

program of the institution. This committee, together with the school head and the development staff, should rally a group of volunteers into some kind of a development council, an on-going group that assumes full responsibility for soliciting the various key sources-- alumni, parents, and others. (p. 17)

In his The Nature of Trusteeship, Nason (1982) notes that no major capital campaign is likely to succeed without trustees' own commitments and involvement in the asking process. He adds: "Trustees with modest financial resources should contribute modestly, but contribute they must. No campaign should start without the 100 percent participation of the entire board" (p. 27).

Pickett's (1986) study confirms the importance of trustee involvement:

A second characteristic of an overachieving institution is the presence of trustee involvement and leadership....Their command of affluence and influence means they can speak for the college in ways not available to the paid staff. Trustee financial commitment sends a message to the college's constituencies that those who know the college best are wholeheartedly in support of the college and its goals. (p. 236)

Willmer's (1981b) survey of independent colleges shows "that a mean of 9% of all \$100-plus donors solicited face-to-face were solicited by trustees. . . . Trustees supply 19.4% of the volunteer work on behalf of the college's fund raising efforts. . . . Seventy-eight percent of the survey population indicated that they have an active working trustee committee assisting the institutional advancement office" (pp. 107-108).

President's Role in Fund Raising

Presidential leadership is a key factor to the success and effectiveness of the advancement process in general and, specifically, to the fund-raising program. When colleges compete for their share of the resources available in their environments, presidents must take an active role in advancement. Unlike other

management functions in the institution, advancement cannot be entirely delegated. The president forms the overall strategy, defines the roles, and should be a vital part of the process. The president is at the center of the advancement effort, leading, suggesting, critiquing, judging, challenging, and performing.

On the president's role in fund raising, Frantzreb (1981a) notes that the chief executive officer of an institution "may be characterized as the chief engineer of the advancement function." He recommends further that the president should give at least 20 percent of his/her time to advancing the institution (p. 51).

As mentioned earlier, Willmer (1981b) recommends presidential involvement in at least 10% of the \$100-plus solicitation calls. According to his survey, in 56% of the colleges, the president is involved to this extent in fund raising (p. 106).

In Advancing the Small College, Willmer (1981a) reemphasizes the need of presidential involvement in making calls on donors, recommending that presidents should average more than eight calls per month. He adds: "Without a president who can raise funds, an advancement office is seriously crippled. . . . Without the involvement of the president, the advancement effort operates without its right arm" (pp. 81-82).

Experience of Chief Advancement Officer

Willmer's (1985) recent surveys suggest that the experience of the chief advancement officer has something to do with success of the entire advancement enterprise. Fund raising, as a part of the advancement function, benefits from an experienced chief advancement officer.

Willmer mailed a 64-question survey to the 273 institutions that have membership in the Council of Independent Colleges. He published his results in Currents in 1985. His survey revealed that in 80% of his sample colleges, the chief advancement officer had four or more years of experience in advancement. Among 49% of the institutions, the advancement officer had nine or more years of experience, and at 21% of these schools, he or she had 15 or more years of experience with advancement programs (p. 20).

In his earlier study published in 1981, Willmer (1981b) notes: "The coordinating managers who have 3 or fewer years of experience in the field . . . probably do not have enough experience to be chief manager. The small college offering low salaries and seemingly unable to attract people from outside the immediate area often must settle for inexperienced personnel at a time when the demand for advancement personnel is high. . . ." (p. 106).

Use of Evaluations

After several decades as chief advancement officer at the University of Notre Dame, James Frick (1986) offered his reflections on the future course of the advancement profession. He noted that the increased availability of philanthropic dollars in the future does not necessarily mean that colleges and universities will obtain their proportionately increased share. This depends on the implementation, among other policies, of an "annual forthright evaluation of the institution's development operation from people to programs" (pp. 368-369).

On the importance of evaluations, Willmer (1981b) notes:

All advancement programs are subject to periodic evaluations. The coordinating manager can choose to evaluate or he can allow evaluation to take place by default. As Leslie says, 'Good management is not something which is installed in a one-time

operation and then lives on forever. Continuing good management results from frequent review or practices, evaluation of performance, and improvement in techniques.' (p. 39)

Summarizing briefly then, 16 policies that are important to the fund-raising process have been identified in the review of literature. These are resources spent on fund raising, fund-raising organization, fund-raising functions implemented, number of professional staff, case statement, mailing lists, solicitation calls, use of outside professional counsel, publications such as a regular newsletter, a "President's Report" to contributors and an honor roll of donors, giving clubs, trustee committee for development, president's role in fund raising, experience of chief advancement officer, and use of evaluations.

Summary of the Review of Literature

This chapter contains a description of the review of literature conducted as a basis for this study. In the first section, it deals with a review of organizational theory that impinges on this study and its suggested methodology. The second section identifies William Pickett's study, which in this writer's view, constitutes a unique model to study fund raising effectiveness. According to Pickett, fund raising effectiveness is not necessarily related to the amounts of funds raised, but to the share an institution is able to access from the financial resources it potentially has available in its environment.

Pickett's model related the effectiveness of fund-raising activities at an institution to the resources in its environment, the college's position in that environment, and the set of fund-raising policies used by the college to do its fund-raising job.

This study uses Pickett's model to study fund-raising effectiveness among church-related undergraduate colleges.

The last three sections of this chapter contain the review of literature pertinent to financial resources available in the environment, a college's position in its environment, and fund-raising policies--the three sets of independent variables that comprise the fund-raising effectiveness model.

CHAPTER III

METHODOLOGY

The principal objective of this study is to identify those fund raising policies that impact significantly on the productivity of fund raising programs at church-related, undergraduate colleges. Measuring fund raising productivity is the key problem.

As the review of literature shows, traditional studies in this subject area have equated productivity with quantity. The more a school raises, the more effective it must be. However, as Pickett (1977) has argued, this method is less than adequate, as it does not discriminate between "fortunate" and effective fund-raising programs. Productivity must be measured against an institution's resource potential. Thus, the first task in this study was to try to estimate an institution's potential.

As the review of the literature has outlined, 12 variables have been identified as possible determinants of a college's potential. Four of these deal with the financial resources available to each institution in its environment. The other 8 can possibly determine each college's position in that environment. In this chapter, hypotheses are developed to test the possible relationship that each of these variables may have to the total funds that a college raises.

Multiple linear regression analysis was performed using gift income as the dependent variable and the aforementioned 12 variables as the independent

variables. The equation yielded by this analysis was used to estimate the fund-raising potential for each college in this study's sample. Colleges that raised more than their estimated potential were classified as overproductive. Conversely, those that raised less, were categorized as underproductive.

As outlined in Chapter 1, the second problem this study sought to address was to determine whether any significant differences exist between the fund-raising policies implemented by the overproductive and underproductive schools.

In the literature search, 16 important fund-raising policies were identified. Appropriate hypotheses are developed in this chapter to relate these policies to the productivity of college's fund-raising programs. A questionnaire was developed to collect information on the use of these policies by both overproductive and underproductive colleges. Appropriate statistical methods such as chi square and Student's t were used to test whether there are significant differences in the use of the policies between both groups of colleges.

Hypotheses

A number of hypotheses are suggested by the review of the literature in Chapter 2. These can be divided into four groups: available financial resources, environmental position, prediction of gift income, and fund-raising policies.

Available Financial Resources

Using a simple correlation method, this study hypothesizes that gift income is positively correlated with

1. number of alumni

2. number of families with an income of \$50,000 or more in the Standard Metropolitan Statistical Area (SMSA) closest to a college

3. dollar value of grants made by foundations located in a college's home state

4. the value added by manufacturers to the SMSA closest to a college.

A variable is considered important if it explains at least 10% of the variation in gift income.

Environmental Position

Using a simple correlation method, this study also postulates that gift income is also positively correlated with

1. the percentage of the freshman class from a college's home state

2. the annual cost of attendance

3. the percentage of a college's senior class attending graduate school

4. the age of a college

5. the market value of a college's endowment

6. the dollar value in federal research and development a college attracts

7. a college's enrollment

8. a college's nearness to a Standard Metropolitan Statistical Area (SMSA).

A variable is deemed as important if it explains at least 10% of the variation in gift income.

Prediction of Gift Income

This study postulates that a linear regression equation can be developed using gift income as the dependent variable and all 12 variables outlined above as

independent variables. To be chosen as a good predictor for gift income, the equation sought explains at least 40% of the variation in the sample institutions' gift income.

Fund-Raising Policies

In analyzing for the fund-raising policies used by the colleges in this study's sample, overproductivity in a fund-raising program is associated with

1. larger amounts of resources spent on fund raising
2. a centralized advancement organization
3. the presence of the principal fund raising functions, namely annual fund, capital giving, planned or deferred giving, and prospect research
4. a higher number of professional staff
5. the presence of a case statement
6. larger mailing lists
7. more solicitations
8. the use of outside professional counsel
9. the publication of a college newsletter that updates donors
10. the publication of an annual President's Report
11. the publication of an honor roll of donors
12. the use of giving clubs by a college
13. the presence of an active trustee committee for development
14. the greater involvement in the fund raising process of a college's president
15. a greater number of years of experience in advancement and fund raising by the chief advancement officer of a college

16. the active use of annual evaluations of the advancement program by a college.

Sample

The Council for Financial Aid to Education (CFAE) publishes annual reports entitled Voluntary Support for Education. These reports include private and public colleges and universities, as well as secondary schools that report gift income data to the CFAE.

The CFAE's report for 1982-1983 includes data on 581 private undergraduate colleges. Of these, 356 were identified in this report as being church-related or church-controlled. These include institutions that are coeducational as well as men's and women's colleges.

During any particular reporting year, it is possible that a number of colleges in the sample may have had unusually high levels of giving. This can be the case when a college receives an unusually large contribution during any one year. To preclude the statistical effect that such a gift would have, gift income data were taken from CFAE reports for three years, 1982-1983, 1983-1984, and 1984-1985. The median for these data was taken. The mean was used for any institution that reported data for two of the three aforementioned years.

The 356 church-controlled or church-related colleges identified in the CFAE reports constituted the original population of institutions available to this study. Of this number, 48 changed institutional status sometime during the three reporting years from which CFAE data was gathered. The CFAE reclassified these schools from coeducational, undergraduate institutions to comprehensive or professional

and specialized schools during this period. The 308 remaining colleges constituted the population for this study.

This population was reduced for the following reasons:

1. Forty-three colleges reported gift income to the CFAE for only one of the three years used in this study.
2. Twenty-one colleges did not report data in the 1986-1987 or 1987-1988 editions of The College Handbook, the source from which data on four environmental position variables was gathered. The 244 institutions remaining at this point (79% of the population of 308), constituted the sample for this study.

Data Collection

Gift Income

Income data for gifts received by colleges from alumni, non-alumni individuals, corporations and foundations were taken from the CFAE reports for three years, 1982-1983, 1983-1984, and 1984-1985. The median of these data, or the mean in the case of those institutions that reported data for two of the three years, was used as the dependent variable.

Number of Alumni and Market Value of Endowment

These data items were collected from the CFAE report for the 1984-1985 year.

Standard Metropolitan Statistical Area

Information on the city in or near which each college is located was obtained from the 1987-1988 issue of The College Handbook, as published by the College Entrance Examination Board. Each college was related to an SMSA as listed in

the publication entitled Standard Metropolitan Statistical Areas as published by the U.S. Department of Commerce. If a college was located in an SMSA, that SMSA was selected. If not, the SMSA nearest to the college was chosen. The exact mileage between each college and its nearest SMSA was obtained from The College Handbook.

Family Incomes of \$50,000 or More

Data on the number of families and individuals with incomes of \$50,000 or more were collected for the SMSA of each college. Statistics for this variable were obtained from the 1980 Census of Population, as published by the U.S. Department of Commerce.

Foundation Grants

Data on the dollar value that foundations have given in each college's home state were obtained from the Foundation Directory, 10th Edition.

Value Added by Manufacturers

The value added by manufacturers to each college's SMSA was obtained from the 1982 edition of the Census of Manufacturers, as published by the U.S. Department of Commerce.

Enrollment

Headcount enrollment statistics for each college were gathered from the 1984-1985 edition of the CFAE report.

Cost of Attendance

Cost of attendance figures for each college were obtained from the 1986-1987 edition of The College Handbook published by the College Entrance Examination Board.

Percentage of Alumni Going to Graduate School

These data were collected from The College Handbook, 1987-1988 edition.

Year of Founding

This data item for each college was found in the 1987-1988 edition of The College Handbook.

Research and Development

The value of research and development dollars given to colleges by the Federal Government was published by the National Science Foundation in Federal Support to Universities, Colleges and Selected Non-Profit Institutions. Data were collected for fiscal year 1983, as documented in the publication's 1985 edition.

In-State Enrollment

The proportion of the freshman class from within each college's home state was taken from The College Handbook.

College Distance from Nearest SMSA

Using The College Handbook and the Standard Metropolitan Statistical Areas listings, data were gathered on each college's exact distance from an SMSA. Four "dummy" variables (0-25 miles, 26-50 miles, 51-75 miles, and 76-100 miles) were created as a way of determining any possible predictive relationship between

colleges' distances from significant metropolitan areas and their gift incomes. These four "dummy" variables also measured any predictive relationships for those colleges located more than 100 miles from an SMSA.

Data Transformation

The following data transformations were performed for this study:

1. Gift income from alumni, non-alumni individuals, corporations, and foundations were summed for each of three reporting years, 1982-1983, 1983-1984, and 1984-1985. The median gift income year for each college was used as the dependent variable for income prediction. As noted earlier, for those institutions that reported gift income for two of the three reporting years, the mean was used.
2. The first year that each college in the sample began to offer instruction was subtracted from 1985. This resulted in each college's age.

Data Analysis

This study involved two major analytical steps, a data gathering and statistical analysis stage, and the administration of a survey to gather and analyze data on fund-raising policies. The first step involved four statistical and analytical methods: review of the data for consistency and reasonableness; Pearson Product Moment correlations were taken between the dependent and all independent variables; multiple linear regression methods were used to arrive at an equation to predict gift income potential for the colleges in the sample; finally, the predicted income was compared to the colleges' actual income to differentiate among overproductive and underproductive institutions.

1. **Data review.** To improve on the generalizability of the study's conclusions, cases with unusually high or low values were excluded from the sample. Statistical outliers tend to bias a sample's statistics in those values' direction and possibly affect the interpretations a researcher may make.

In dealing with outliers, researchers have several avenues open to them. They may replace a variable's outlier with the mean for that variable or with a predicted value. This is done in the interest of retaining other valuable data a specific case may add. Using this option will introduce spurious, non-realistic data into the sample, however.

Another option researchers have is to exclude cases that bear statistical outliers. A few cases may have to be dropped from the sample in using this method. But the researcher is then assured of having "good" data.

The exclusion method of dealing with outliers was chosen for this study. In this first analytical step, several statistical outliers were thus noted:

Regis College (Massachusetts) showed having received \$519,000 in federal research and development support. This level of federal support was determined to be an outlier. It should be noted that only 25 of the 244 schools (10.2%) reported having received any federal research and development grants. Of the 25 reporting schools, 20 noted federal support levels in amounts under \$100,000. The statistical indicators for this variable confirmed the highly skewed sample. While the mean for this variable was \$8,516, the standard deviation was \$47,554. Exhibiting a standard score of 10.73, Regis was dropped from the sample.

As with Regis, Hope College reported a relatively high value on the federal research variable at \$417,000. Once Regis was dropped, Hope showed a standard score of 11.91. Hope College was also excluded from the sample.

Clark and Ohio Wesleyan reported federal research grants of \$220,000 and \$180,000 respectively. These two values were judged to be close enough to the regression line to be left in the sample.

With the first two outliers dropped, the endowment variable showed a mean of \$8,706,673 in endowment for the remaining 242 schools. A standard deviation of \$11,078,850 and a maximum standard score of 6.01 indicated considerable skewing for this variable.

Three schools, Earlham College, Southwestern University and the University of the South reported endowments of \$75,295,000 (standard score = 6.01), \$67,314,000 (standard score = 5.28), and \$59,494,000 (standard score = 4.58), respectively. In examining the scatter plots for the endowment variable, these three schools could be clearly seen as outliers. To facilitate better predictability, the three schools were excluded from the sample.

Davidson College reported an endowment value of \$46.3 million. Although this value had a standard score of 4.26 after excluding the aforementioned three schools, it was not judged as an outlier in the scatter plot and was therefore retained in the sample of schools.

While the mean enrollment for remaining schools in the sample was 1,332.36, La Salle College and St. Leo College reported enrollments of 6,446 and 5,341, respectively. Because of their relatively high standard scores, 6.19 and 5.17, these colleges were also dropped from the sample.

Calvin College reported the next highest enrollment value of 4,035. With a standard score of 3.85 after excluding La Salle and St. Leo, this value was not seen as an outlier and was retained in the sample.

In examining the basic statistics and scatter plots about the foundation versus income regression line, three colleges whose home states exhibited more than \$1 billion in foundation grants were seen as possible influential observations. With a mean and standard deviation of \$123,098,000 and \$149,109,000, respectively, all but these three colleges were found within a 3.5 standard deviation cluster for these values. Keuka College, Houghton College, and Lemoyne College are located in New York, a state whose charities received \$1,041,259,000 in foundation grants. Exhibiting standard scores of 6.16, these three colleges were excluded from the sample.

The exclusion of the aforementioned 10 colleges brought the study sample down to 234 institutions.

2. Correlations. Pearson Product Moment correlations were computed between the dependent variable and all other independent variables. In testing for the study's hypotheses for each possible pair of variables, a significance level of .05 was used. For these simple correlations, a correlation was considered as important if the resulting r-squared was at least .10. As stated previously, the dependent variable is the median gift income computed for each college. The results of these correlations are reported in chapter 4.

3. Prediction of income. To estimate the gift-income potential for each school in the sample, multiple linear regression analyses were performed using gift income as the dependent variable and all 12 financial resource and environmental

position variables as the independent variables. To arrive at a sound and significant regression equation, the "stepwise" and "best subset" options were used. Both the SPSS and the BMDP statistical software packages were used in conducting the analyses. A prediction equation was defined as being important if it explained at least 40% in the variation of the colleges' gift income.

A multiple regression was first run using all 12 financial resource and environmental position variables. The resulting equation yielded a multiple correlation of 0.777 and an r squared of 0.604. The F-statistic of 22.21 showed a significance level of 0.000.

The regression statistics for this equation are shown on Table 4. Of the variables, four were significant at the 0.05 level: Endowment, Alumni, Dist1, and Dist4.

Both the "stepwise" and "best subsets" options were used next and rendered a four-variable equation as the best possible predictive formula. The equation indicated the regression statistics shown in Table 5.

This equation produced a multiple correlation of 0.767. The equation also rendered an R squared of 0.588, that is, it explained 58.8% of the variation in gift income. Its F-statistic was 81.84 which had a significance level of 0.000.

Although this was a good predictive model (Mallows' $CP = 2.84$), it is well to note that both the Foundation and Dist4 variables had significant but negative t-statistics. Conceptually, this result ran against the hypotheses made concerning a positive association between these variables and gift income. By themselves, the Foundation and Dist4 variables had correlations of 0.024 and -0.109 to gift income,

TABLE 4
ALL-VARIABLE MODEL STATISTICS

Variable Name	Regression Coefficient	Standard Error	t-stat	2-tail Signif.	Contribution To R-Squared
Intercept	861640.000	323481.000	2.66	0.008	
Enroll	92.427	75.918	1.22	0.225	0.003
Endowmnt	68.191	6.015	11.34	0.000	0.233
Alumni	27.300	11.143	2.45	0.015	0.011
Famincom	0.737	3.781	0.21	0.832	0.000
Foundatn	-0.639	0.479	-1.34	0.183	0.003
Manufact	-13.558	18.339	-0.74	0.461	0.001
Freshman	-2120.530	2259.650	-0.94	0.349	0.002
Tuition	11.543	34.029	0.34	0.735	0.000
Gradschl	1244.750	3125.810	0.40	0.691	0.000
Age	452.811	1423.420	0.32	0.751	0.000
Research	1856.810	1921.510	0.97	0.335	0.002
Dist1	-334979.000	170271.000	-1.97	0.050	0.007
Dist2	-331227.000	185152.000	-1.79	0.075	0.006
Dist3	-220512.000	203202.000	-1.09	0.279	0.002
Dist4	-593456.000	205177.000	-2.89	0.004	0.015

TABLE 5
FOUR-VARIABLE MODEL STATISTICS

Variable Name	Regression Coefficient	Standard Error	t-stat	2-tail Signif.	Contribution To R-Squared
Intercept	563101.000	90193.9000	6.25	0.000	
Endowmnt	69.531	5.1218	13.58	0.000	0.331
Alumni	40.238	8.5934	4.68	0.000	0.039
Foundatn	-0.969	0.3932	-2.46	0.014	0.011
Dist4	-332087.000	137130.0000	-2.42	0.016	0.011

respectively (Table 7 in Chapter 4). As such, these variables are not good predictors of gift income either singly or as part of the four-variable model.

In addition, these two variables each contributed just a bit over 1% to the R-squared. Given these considerations, a two-variable equation option with endowment and alumni was reviewed.

The two-variable equation had a multiple correlation of 0.754 and an R-squared of 0.569. The four-variable equation added only 1.9 percent in explaining the variation in gift income when compared to the two-variable equation.

The equation using endowment and alumni rendered a significant (at the 0.000 level) F-ratio of 152.49. Given the considerations outlined above, the

two-variable equation with endowment and alumni was judged to be a good and adequate model to predict colleges' gift income potential in this study.

4. Overproductive and underproductive colleges. The two-variable equation was used to predict the gift incomes for the 234 colleges in this study's sample. Colleges' actual incomes were then divided by their predicted incomes. This resulted in ratios ranging from a high of 3.27 to a low of .05 (Appendix A). Those colleges with ratios above 1.00 raised more than their predicted income. Conversely, those with ratios below 1.00 raised less.

The colleges were then ranked on the basis of these ratios. The college with highest ratio was given rank number 1, and the institution with the lowest ratio received the ranking of 234. The 59 schools falling into the lowest quartile were, using Pickett's terminology, identified as underproductive. The 59 schools in the highest quartile were defined as overproductive.

Survey

To compare the fund-raising policies implemented by the overproductive and underproductive colleges, a survey was developed. The survey, as well as its accompanying cover letter, were shared with 10 institutional advancement colleagues for refinement. Their returns were used to modify both the questionnaire and the cover letter. Samples of both are exhibited in Appendix B.

Surveys were then sent to the chief advancement officers of the 118 underproductive and overproductive colleges on January 27, 1989. Their names were listed in the 1988 membership Directory for the Council for Advancement and Support of Education (CASE).

Sixty-seven returns (56.8%) were received within six weeks of the first mailing. A follow-up mailing was sent to non-respondents and an additional 26 returns were received for a cumulative total of 93 respondents, comprising a return rate of 78.8%. Of these, two just returned but did not provide answers to the survey's questions. Thus, 91 useable responses were received.

Survey Data Analysis

Descriptive statistics were computed for all survey responses as well as for the 48 overproducers and 43 underproducers as groups. Data were cross-tabulated by productivity group and chi-square tests were performed. Means were compared and hypotheses tested using Student's *t* computations. The .05 level was used to determine the significance of any test result.

Summary of Methodology

This study analyzes the statistical relationship between gift income raised by undergraduate, church-related colleges and a set of variables related to available financial resources and environmental position.

Multiple regression methods were used to arrive at predicted gift income estimates for each of the 234 institutions in this study's sample. Fund-raising productivity was seen as a function of whether specific schools raised more or less than their respective predicted gift income estimates.

After being ranked by the percentage or ratio of productivity, the top 25% of the schools were identified as being overproductive. The bottom 25%, according to this ranking, were defined as underproductive.

In a last methodological step, a questionnaire was sent to overproductive and underproductive schools to compare them for the use of 16 fund-raising policies

identified to be important in the review of the literature. Parametric tests of significance were used to compare the groups of institutions on the types of policies used in their fund-raising programs.

CHAPTER IV

RESULTS OF DATA ANALYSIS

This chapter reports the results of data analyses conducted on four sets of research hypotheses as outlined in Chapter 3 of this study. The sets of hypotheses included variables on available financial resources, environmental position, prediction of gift income, and fund-raising policies.

To measure the financial resources available in the environment of each of the 234 colleges in this study's sample, four variables were used. Simple correlations were performed using these as independent variables and the colleges' actual gift incomes as the dependent variable.

To measure the colleges' position in their environments, eight variables were identified. Again, their relationship to gift income as the dependent variable was sought using simple correlation methods.

The purpose of this study was to investigate whether any significant differences existed in the way that fund-raising policies were implemented by overproductive and underproductive, church-related colleges in the United States. To determine which of the colleges were overproductive or underproductive, the study used the aforementioned 12 financial resource and environmental position variables to predict, statistically, what each school's gift income should be.

The prediction was made possible through the use of multiple linear regression methods that rendered a significant, two-variable equation that explained close to 57% of the variation in gift income. Number of alumni and the market value of the colleges' endowments were the explanatory variables that comprised the best predictive statistical model. As stated above, the equation was used to produce for each college an estimated, predicted income. Essentially, this was its estimated fund-raising potential.

Some colleges raised more money than their predicted potential. Others raised less. They were all ranked on the basis of the difference between their predicted and actual gift incomes. The college with rank "number one" raised more than three times its predicted income. The school ranked in 234th place, raised only 5% of its predicted income. The schools in the top quartile of this ranking were defined as overproductive. Conversely, those in the lowest quartile were called underproductive.

Sixteen fund raising policies were identified in the review of the literature. A survey was designed and sent to the overproductive and underproductive colleges soliciting information on their use of these policies. Chi square and Student's t tests were employed to identify those policies that had a statistically significant association with the overproductive schools.

Table 6 shows the descriptive statistics for the dependent and independent variables of the 234 colleges in the study's sample. The dummy variables created to assess the potential effect of distance from a Standard Metropolitan Statistical Area (SMSA) of colleges' gift income are not included in this table. Values of either "0" or "1" were assigned to the colleges depending on whether they were

TABLE 6

**Descriptive Statistics For Variables on Financial Resources
and Environmental Position**

Variable	Mean	Standard Deviation	Coefficient of Variation	Smallest Value	Largest Value
Gift Income	1,355,000	975,028.1	0.7197	22,745	5,088,364
No. of Alumni	9,329	5,432.7	0.5823	284	35,885
Families with Annual Income of 50,000 or more	21,276	32,951.2	1.5166	414	165,666
Grants by Home State Foundations (in thousands)	110,637	107,694.0	0.9734	136	468,551
Value Added by Manufacture (millions)	4,875	6,313.3	1.2948	39	32,254
Percent Freshmen From Home State	66	20.4	0.3087	8	100
Tuition	5,973	1,606.5	0.2690	684	10,840
Percent of Grads to Graduate School	26	14.4	0.5366	2	80
College Age	102	36.6	0.3572	20	243
Market Value of Endowment (in thousands)	8,013	9,011.3	1.1246	0	46,379
Fed. R&D Grants (in thousands)	4	22.5	4.6969	0	220
Enrollment	1,296	716.3	0.5526	259	4,053

within one of four 25-mile variable bands. The statistics generated by these variables are relatively meaningless.

Table 7 shows the simple correlation coefficients between gift income, the dependent variable, and the independent variables for the colleges' available financial resources and environmental position. With 234 colleges in the study's sample, a variable was determined to be a significant predictor (at the 0.05 level) if the correlation with gift income was at least 0.13. Given this relatively low correlation coefficient, an independent variable was considered to have an important association with gift income if it also explained at least 10% of the variation in that gift income. Thus to be considered important in this study, an independent variable's r-squared had to be at least 0.10.

Hypothesis Testing

A number of hypotheses were suggested in Chapter 3 of this study. These were divided into four groups: available financial resources, environmental position, prediction of gift income, and fund-raising policies.

Available Financial Resources

The study hypothesized that colleges' gift income is positively correlated with:

1. Number of alumni. A positive correlation of 0.496 was found between these two variables. Number of alumni explained 24.5% of the variation in gift income. As such, this was an important variable in predicting gift income. To say that there is a strong direct relationship between a college's number of alumni and voluntary support is a self-evident statement.

TABLE 7
CORRELATION COEFFICIENTS FOR GIFT INCOME AND FINANCIAL RESOURCE
AND ENVIRONMENTAL POSITION VARIABLES

Variables	Enroll	Endowmnt	Alumni	Famincom	Foundatn	Manufact	Freshman	Tuition	Gradschl	Age	Research	Dist1	Dist2	Dist3	Dist4	Income
Enroll	1.000															
Endowmnt	0.232	1.000														
Alumni	0.547	0.442	1.000													
Famincom	0.178	-0.010	0.027	1.000												
Foundatn	0.217	0.120	0.186	0.434	1.000											
Manufact	0.180	-0.006	0.017	0.925	0.461	1.000										
Freshman	0.076	-0.038	-0.131	0.210	0.208	0.169	1.000									
Tuition	0.183	0.471	0.436	0.087	0.301	0.116	-0.188	1.000								
Gradschl	0.097	0.337	0.152	-0.002	-0.015	-0.042	-0.107	0.130	1.000							
Age	0.031	0.426	0.368	-0.069	-0.007	-0.013	-0.097	0.413	0.088	1.000						
Research	0.080	0.087	0.175	-0.022	-0.038	-0.027	-0.172	0.139	0.113	0.036	1.000					
Dist1	0.213	0.013	-0.011	-0.024	-0.012	0.007	-0.034	-0.007	-0.006	-0.199	0.111	1.000				
Dist2	-0.069	0.008	0.016	-0.046	0.066	-0.055	0.036	-0.011	-0.044	0.052	-0.061	-0.510	1.000			
Dist3	-0.039	0.014	0.024	0.083	0.057	0.068	-0.028	0.095	0.076	0.116	-0.029	-0.368	-0.158	1.000		
Dist4	-0.152	-0.003	-0.070	-0.049	-0.116	-0.035	0.011	-0.097	0.012	0.118	-0.058	-0.368	-0.158	-0.114	1.000	
Income	0.280	0.729	0.496	-0.073	0.024	-0.086	-0.121	0.403	0.278	0.356	0.149	0.012	-0.006	0.043	-0.109	1.000

2. Number of families with incomes of \$50,000 or more in the SMSA closest to each college. The correlation between these two variables was at -0.073. The r squared was 0.005. Effectively, there was no relationship between the number of high-income families in the closest SMSA to a college and that college's gift income.

3. Dollar value of grants made by foundations located in college's home state. This variable showed a correlation of 0.024 to gift income. It explained less than 1% of the variation in gift income to the colleges. Thus, it is not considered to be an important variable.

4. The value added by manufacturers to the SMSA closest to each college. A correlation of -0.086 was shown by this variable to gift income. Again, nothing can be said about a relationship of this variable to income. The correlation produced an r squared of 0.008. Essentially, a college's affluent environment was not a good predictor of gift income.

It should be noted that this variable had quite a high correlation (.925) with variable (2) above, the number of families with incomes of \$50,000 or more in the SMSA closest to a college. That high incomes may be significantly associated with the manufacturing sector in a metropolitan area is likely.

Summarizing, only one of the four financial resource variables, number of alumni, had an important positive correlation to gift income.

Environmental Position

A positive correlation between gift income and the following environmental position variables was hypothesized:

1. The percentage of the freshman class from each college's home state. This variable showed a correlation of -0.121 to gift income. The assumption that had been made in this study was that a college that attracted a higher percentage of in-state freshmen would be better known, and therefore, would probably draw a greater amount of voluntary support. This assumption was clearly not supported by these data. The r squared was at 0.014, showing no relationship to gift income.

2. The annual cost of attendance. The tuition variable showed a correlation of 0.403 to the dependent variable. In explaining 16.26% of the variation in gift income, this was an important predictor of colleges' gift income. The higher a given college's tuition rate, the greater its income from voluntary support is likely to be. By drawing families of higher socio-economic strata (higher tuition-paying families) to itself, through them a high-tuition school probably has greater access to individual, foundation, and corporate wealth. Thus, an affluent constituency seems to be much more important than an affluent environment (number of families with high incomes in the closest SMSA and value of manufacture), as shown by this study.

It is also well to note that this variable showed a relatively high correlation with the variable for the age of a college (0.413). A well-established school is likely to have higher tuition charges.

3. The percentage of each college's senior class attending graduate school. A correlation of 0.278 was shown by this variable. The r squared was 0.077. Since this r squared does not meet the 10% criterion established in this study, this is not deemed to be an important predictor of gift income.

This variable showed a correlation of 0.337 with endowment. This correlation prompted an r squared of 0.114, denoting an important relationship. To assume that a well-endowed school, with its greater ability to provide scholarship aid, might encourage graduates to pursue further studies seems reasonable.

4. The age of a college. This variable showed a correlation of 0.356. It explained 12.71% of the variation in gift income. It is thus an important predictor of gift income. These data support the notion that the longer a college has been in existence, the stronger an influence it is likely to wield both among its constituencies and its environment. Such a school will most likely have a larger body of alumni (correlation of 0.368) and will probably be better known in the environment it shares with other recipients of private gifts. These are undoubtedly important factors as a college tries to carve out a greater share of the philanthropic pie in competing with other institutions similar to itself.

5. The market value of a college's endowment. At 0.729, this variable showed the highest positive correlation coefficient with gift income among all variables. Endowment explained 53.17% of the variation in gift income. Thus, it is quite an important predictor of voluntary support to colleges.

Endowment also showed correlations of 0.442 with number of alumni, 0.471 with tuition, and 0.424 with age of a college, all of which are important variables in explaining institutions' gift incomes. These variables clearly seem to be well interwoven relative to the matter of generating voluntary gift income. It is difficult to decide which of the "chicken's eggs comes first."

It is reasonable to postulate, however, that the older an institution is, the more credible it is likely to be, thus drawing to it a higher percentage of high-income, tuition-supporting families. The greater number of alumni, who will in all likelihood also be higher income-acquiring, contribute to the institution's endowment, or in other words, its wealth. It follows that the greater an institution's wealth, the greater its financial stability, and consequently, the better it is perceived by its giving publics.

6. The dollar value in federal research and development a college attracts.

With a correlation of 0.149 and an r squared of 0.022, this variable is not an important predictor of gift income for the schools in this study's sample. There is practically no relationship between these two variables.

It is well to remember that of the 234 colleges in the sample, only 25 (10.7%) reported receiving any federal research and development support. Furthermore, only five reported receiving amounts of \$100,000 or more.

These data support the notion that by far most of the church-related, private colleges in the study are very "private." Among them, the concept of non-acceptance of federal funding prevails. As such, these schools may hesitate to apply for federal funding for any reason.

It also seems reasonable to assume that with a mean enrollment of under 1,300 students, many of these colleges lack the financial and staff resources to follow up on time-consuming, complex, and, at the same time, very competitive federal grant applications.

7. A college's enrollment. The correlation of this variable to gift income was 0.280. The r squared was 0.078. Again, this is not an important explanatory

variable for gift income. Enrollment showed a correlation of 0.547 with the number of alumni.

8. Geography. In his study, Pickett (1977) pointed to the lack of a relationship of gift income to geography. This study probed the possible effect of a school's location on gift income. The key question this study wished to address was whether the nearness, or conversely, the distance, of a college to an SMSA had a significant effect on the voluntary support it generated.

Four "dummy" variables (0-25 miles, 26-50 miles, 51-75 miles, and 76-100 miles) were created to measure the possible effect of distance on gift income. These distances showed correlations of 0.012, 0.006, 0.043, and -0.109, respectively. At the 0.05 level, none of these correlations was significant. Neither did any of their r-squares meet the 0.10 standard set in this study.

The significance of the predictive contribution that the four "dummy" variables made together was also tested. Their correlation of 0.127 with gift income was not significant at the 0.05 level. Together, the four "dummy" variables explained just 1.6% of the variation in gift income. As such, distance from an SMSA does not appear to have a significant relationship to the ability of a college to generate voluntary support.

Summarizing, of the eight environmental position variables, the following three were important in order of their r squared values:

<u>Variable</u>	<u>Percentage of Variation in Gift Income Explained</u>
Endowment	53.17
Tuition	16.24
College Age	12.71

Singly, each of these variables is important as a predictor of gift income for the church-related colleges in this study's sample. It thus seems that the character of an institution, its wealth, its cost, its long-standing tradition, and, if the importance of the alumni variable is added, its size, perhaps, all have a significant bearing on its ability to attract philanthropic support.

Prediction of Gift Income

As detailed in Chapter 3, it was possible in this study to arrive at an equation to predict gift income that explained at least 40% of the variation in gift income. A significant (F-ratio = 152.49) two-variable equation including Endowment and Alumni which explained 56.90% of the variation in gift income was chosen to predict the colleges' estimated gift potential. The equation showed a multiple correlation of 0.754. The resulting regression equation was: Estimated Gift Income for Each College = 444482.875 + 68.601 Endowment + 38.643 Alumni.

In reviewing the correlation matrix on Table 7, it is well to note that two variables other than Endowment and Alumni showed relatively good, positive correlations with gift income: Tuition ($r = 0.403$), Age (0.356). Yet, these variables did not show through as significant predictors in the prediction equation.

One salient answer is that these variables also showed considerable intercorrelations with Endowment and Alumni and with each other. Tuition, for example, showed a correlation of 0.471 with Endowment and of 0.436 with Alumni. Age had a correlation of 0.426 with Endowment and 0.368 with Alumni. Tuition and age had a correlation of 0.413 with each other.

This study's hypothesis that it was possible to develop a significant equation for the prediction of the colleges' gift income was accepted.

Fund-Raising Policies

As noted both in Chapter 3 and at the beginning of this chapter, the two-predictor equation was used to predict what each of the colleges' potential gift income should be. A college's predicted income was then compared to its actual gift income. The schools were then ranked on the basis of the proportional difference between their actual and predicted incomes.

Those schools that actually raised more than their predicted amount received a higher ranking than those that raised less. Comprised of 59 colleges, the top quartile of the ranked schools was identified as overproductive. The bottom 59 colleges were called underproductive.

The overproductive and underproductive schools were compared demographically (see Table 8) to ascertain whether or not their basic institutional characteristics were similar. T-tests performed showed that the two groups were not significantly different in enrollment (t-value = 1.27; significance = 0.207), number of alumni (t-value = 1.79; significance = 0.076), and cost of attendance (t-value = 0.53; significance = 0.596) using a 0.05 significance threshold level. However, overproductive colleges were older (t-value = 2.11; significance = 0.037) and raised more money (overproductive mean: \$2,069,235; underproductive mean: \$519,099; t-value = 12.31; significance = 0.000).

A survey gathering data on the schools' use of fund-raising policies was sent to the 118 colleges noted above. The purpose was to test the fund-raising policy hypotheses identified in Chapter 3. The policies were based on the review of the literature detailed in Chapter 2 of this study.

TABLE 8
COMPARISON OF GENERAL CHARACTERISTICS OF
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES

Variable	Overproductive Mean	Underproductive Mean	t-value	2-tail Prob.
Enrollment	1,254.5	1,105.8	1.27	0.207
No. of alumni	8,594.2	7,132.0	1.79	0.076
Cost of Attendance	5,756.8	5,623.1	0.53	0.596
Age	104.5	90.8	2.11	0.037
Gift Income	2,069,234.9	519,098.8	12.31	0.000

The study hypothesized that the following fund raising policies would be significantly and positively associated with overproductivity in fund raising:

1. Larger amounts of resources spent on fund raising. Of the 86 colleges that reported data on this item, 55% indicated having allocated at least \$201,000 in budgets to institutional advancement. Almost three-quarters of the schools had made budget allocations up to \$351,000 to these functions. Only 2% of the institutions had been able to provide \$1,000,000 or more to advancement programs. The mean budgetary allocation for all schools was in the range of \$251,000 to \$300,000.

Table 9 reports the results of the cross-tabulation to test whether there was a significant difference between overproducing and underproducing colleges on this variable.

TABLE 9
ANNUAL BUDGETS FOR INSTITUTIONAL ADVANCEMENT
BY OVERPRODUCTIVE AND UNDERPRODUCTIVE
COLLEGES

College Category	Up to \$200,000		Over \$200,000	
	N	Col %	N	Col %
Overproductive	13	28.9	32	71.1
Underproductive	19	46.3	22	53.7
Total	32	37.2	54	62.8

chi-square = 2.797 significance = 0.094

The chi-square of 2.797 was not significant at the .05 level. The study's hypothesis on this variable could not be accepted.

However, it should be noted that while 46% of the underproductive colleges had advancement budgets of \$200,000 or less, only 29% of the overproductive schools did so. On the other end of the budgetary spectrum, while almost 71% of the overproductive colleges had budgets of \$200,000 or more, only 54% of the underproductive colleges had allocated the same amount.

2. A centralized advancement organization. Table 10 shows the results of the cross-tabulation of this variable's data. It is quite evident in these data that the centralized organizational system was typical of both the overproductive and underproductive colleges.

The chi-square of 0.038 was not significant. Thus, whether they raised funds effectively or not, most of the colleges in this study adopted the centralized administrative system for advancement. They were likely to have a vice-president overseeing advancement functions.

TABLE 10
ORGANIZATIONAL STRUCTURE OF ADVANCEMENT PROGRAMS AMONG OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES

College Category	Decentralized		Centralized		Other	
	N	Row %	N	Row %	N	Row %
Overproductive	7	14.6	36	75.0	5	10.4
Underproductive	6	14.0	32	74.4	5	11.6
Totals	13	14.3	68	74.7	10	11.0

chi-square = 0.038 significance = 0.981

3. The presence of the principal fund raising functions, namely, annual fund, prospect research, capital giving and planned or deferred giving. The survey had inquired not whether the schools merely had these functions, but rather, whether they had full or part-time staff assigned to implement them.

The annual fund. As Table 11 shows, 94.5% of all the schools had staff assigned to this activity. Of the overproductive colleges, 93.8% had staff assigned to annual fund activities; 95.3% of the underproductive colleges also had made such staff assignments. The resulting chi-square was at 0.112, with a significance level of 0.738. There was no significant difference on the assignment of staff to the

annual fund. Overproductive and underproductive colleges in this study showed almost an equal concern to have staff assigned to the fulfillment of this function.

TABLE 11
STAFF ASSIGNED TO THE ANNUAL FUND
BY OVERPRODUCTIVE AND UNDERPRODUCTIVE
COLLEGES

College Category	Have Staff for Annual Fund		Do Not Have Staff for Annual Fund	
	N	Row %	N	Row %
Overproductive	45	93.8	3	6.3
Underproductive	41	95.3	2	4.7
Total	86	94.5	5	5.5

chi-square = 0.112 significance = 0.738

Prospect research. Table 12 presents the cross-tabulated data for this variable. While more of the overproductive colleges (47.9%) had staff assigned to prospect research than underproductive colleges (38.1%), it must be also noted that 56.7% of all schools reported not having any prospect research staff. There was no significant difference on the assigned staff to research between the overproductive and underproductive colleges.

Capital giving. Confirming the commonly held notion that when an institution is in a capital campaign mode, it tends to raise more money, 91.7% of the overproductive colleges had staff assigned to this function. As Table 13 shows, only 72.1% of the underproductive colleges answered "yes" to this survey question.

TABLE 12

**STAFF ASSIGNED TO PROSPECT RESEARCH BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES**

College Category	Staff Assigned to Prospect Research		No Staff Assigned to Prospect Research	
	N	Row %	N	Row %
Overproductive	23	47.9	25	52.1
Underproductive	16	38.1	26	61.9
Total	39	43.3	51	56.7

chi-square = 8.799 significance = 0.348

TABLE 13

**STAFF ASSIGNED TO CAPITAL GIVING BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES**

College Category	to Capital Giving		to Capital Giving	
	N	Row %	N	Row %
Overproductive	44	91.7	4	8.3
Underproductive	31	72.1	12	27.9
Total	75	82.4	16	17.6

chi-square = 5.997 significance = 0.014

The difference between the overproductive and underproductive colleges on this variable was statistically significant. The chi-square was at 5.997 with a significance level of 0.014.

Intrinsically, capital campaigns require larger amounts of money for their fulfillment. As such, when in a campaign mode, colleges tend to seek out those donors with greater contributions potential. They also tend to ask for larger gifts. Colleges that do not gear up for the complexities and timed objectives of a capital campaign are at a clear disadvantage.

Deferred or planned giving. Table 14 presents the cross-tabulated data on this variable. The chi-square value was at 1.700 and the significance level was 0.192. While more of the overproductive colleges (70.8%), had staff assigned to deferred giving than did the underproductive colleges (57.5%), the difference was not statistically significant.

TABLE 14
STAFF ASSIGNED TO DEFERRED GIVING BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES

College Category	Staff Assigned to Deferred Giving		No Staff Assigned to Deferred Giving	
	N	Row %	N	Row %
Overproductive	34	70.8	14	29.2
Underproductive	23	57.5	17	42.5
Total	57	64.8	31	35.2

chi-square = 1.700 significance = 0.192

However, because investment returns from deferred giving programs sometimes take many years to be realized, it seems reasonable to assume that underproductive colleges may be less able to muster the resources required to hire deferred-giving personnel.

The presence of all four fund-raising functions. When a cross-tabulation (Table 15) was run to compare whether or not colleges had staff allocated to all of the four fund raising functions (annual giving, prospect research, capital giving, and deferred giving), a chi-square of 3.968 was obtained. This computation was significant with a level of 0.046.

TABLE 15
STAFF ASSIGNED TO THE FOUR FUND-RAISING
FUNCTIONS BY OVERPRODUCTIVE AND
UNDERPRODUCTIVE COLLEGES

College Category	Four Functions		No Four Functions	
	N	Row %	N	Row %
Overproductive	18	37.5	30	62.5
Underproductive	8	18.6	35	81.4
Total	2	28.6	65	71.4

chi-square = 3.968 significance = 0.046

On a percentage basis, not many of the overproductive or underproductive schools reported having staff assigned to all four functions. Yet, twice as many (37.5%) of overproductive schools answered "yes" to all four questions regarding the fund raising functions. Only 18.6% of the underproductive schools did so. The difference was enough to be statistically significant. The study's hypothesis was accepted. Thus a positive association exists between overproductivity in fund-raising and the presence to these principal fund raising elements in an advancement program.

Summarizing then, singly, of the four fund raising-functions, only capital giving was significantly associated with overproductivity in fund raising. As mentioned above, a capital-giving program tends to raise institutions' sights; they strategize, they plan, they draw up prospect lists for major donors, they prepare detailed case statements, and, along with a publicity campaign, they then ask for and are more likely to receive large gifts.

A great majority of the colleges, almost equally, had staff assigned to the annual fund. The presence of an annual fund program seems to be more a function of a college having a fund-raising program rather than of its productivity. If a school reports fund-raising statistics to the CFAE, it most likely has an annual fund program. Most typically, the annual fund concentrates on alumni.

Deferred or planned giving and prospect research were more typical of overproductive colleges, but not significantly so.

What was a significant finding in this study, as it was for Pickett's, is that the presence of all four fund-raising activities is an important factor to colleges' productivity in raising funds. These elements are really all important to an effective fund raising program. While singly they may or may not reflect a college's level of productivity, their presence as a group shows that structurally they may be fundamental to any fund raising effort.

4. A higher number of professional staff. Of the 91 colleges that responded to the survey, one-third had up to four staff members assigned to the institutional advancement program. Over one-half of the schools had up six staff members. Only 21% of the schools had 10 or more staff members in advancement. The mean number of advancement staff for all colleges was at 6.94, or almost seven.

Table 16 shows that overproductive colleges had an average of 8.04 staff in advancement. Underproductive schools had a mean of 5.74 staff members. With a t-value of 2.77 that was significant at the 0.007 level, this difference was a statistically important one. The study's hypothesis linking the assignment of a greater number of advancement staff with overproductivity was accepted.

TABLE 16
NUMBER OF ADVANCEMENT STAFF AT
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES

	Mean	Standard Deviation	N
Overproductive	8.04	4.457	46
Underproductive	5.74	3.193	42
Total	6.94	4.052	88

t-value = 2.77 Significance = 0.007

It is concluded that the number of staff is positively associated with overproductivity in fund raising. For the overproductive private, church-related colleges in the United States, the average number of staff assigned to institutional advancement in 1984-1985 was eight.

5. Presence of a case statement. Table 17 shows the results of the cross-tabulation of this variable's data. Of the overproductive colleges, 74.5% indicated having a case statement. Almost as many, 72.1% of the underproductive schools also had a case statement. A chi-square of 0.648 with a significance level of 0.799 revealed that there was no significant difference between these two statistics.

TABLE 17

**THE PRESENCE OF A CASE STATEMENT BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES**

College Category	Case Statement		No Case Statement	
	N	Row %	N	Row %
Overproductive	35	74.5	12	25.5
Underproductive	31	72.1	12	27.9
Total	66	73.3	24	26.7

chi-square = 0.648 significance = 0.799

6. Larger mailing lists. One-half of all the colleges had mailing lists with 10,000 names or more. Twenty five percent of the schools had mailing lists larger than 15,000 names. Table 18 reports the data for this variable by fund raising productivity.

TABLE 18

**SIZE OF MAILING LIST BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES**

	Mean	Standard Deviation	N
Overproductive	15,954.3478	12,867.283	46
Underproductive	10,528.5714	6,443.423	42
Total	13,364.7730	10,612.864	88

t-value = 2.46 significance = 0.016

Overproductive schools had mailing lists with a mean of 15,954 names. Underproductive colleges, by comparison, had a mean of 10,529 names on their mailing lists. A t-value of 2.46 was significant at the 0.016 level, demonstrating that there is a significant difference between these two means.

It should be noted that the statistics for this variable rendered unequal variances for the two groups of colleges. In examining the values reported by the 88 responding schools, it was noted that 85% of the colleges reported mailing lists from 1,000 - 18,000 names. Ten schools had between 20,000 and 32,000 names, and three, all overproductive colleges, had mailing lists of 50,000, 60,000, and 65,000 names. When the values for these three institutions were removed the difference between the means of the overproductive and underproductive colleges was still almost significant (0.07). Thus the skewing effect of these three colleges was not severe. These schools were left in the sample of respondents and the study's hypothesis was accepted for this variable.

With a significant difference in the means for the colleges' mailing lists, it is possible to say that larger mailing lists are a function of productivity in fund raising. A larger list of names could, however, also be a function of institutional size, as Pickett has well pointed out in his study. It is well to note, though, that in this study there was no significant difference, by institutional group, in enrollment or number of alumni.

It seems clear that a larger mailing list is of little use unless specific fund-raising activities are linked to it. The mere presence of a larger mailing list with the overproductive colleges may seem relatively meaningless, especially in light that

there was no significant difference in the number of solicitation calls made between both groups of schools.

Yet the overproducers did have more names to access. Considering that both groups were not different in their number of alumni, overproductive schools could have done a better job at prospecting foundations and corporations, for example, thus enlarging their pool of prospects.

In addition, overproductive colleges did raise more money than underproductive counterparts. Significantly more of the overproductive schools also had staff allocated to capital campaigns. It is conceivable that while both groups' number of calls is the same, the overproductive schools used its larger list of prospects to ask for more and larger gifts. In this sense, it seems that a larger mailing list did make a difference for the overproductive colleges.

7. A higher number of solicitation calls. As Table 19 shows, there was no significant difference between overproductive and underproductive colleges in the number of solicitation calls made.

TABLE 19
NUMBER OF SOLICITATION CALLS MADE BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES

	Mean	Standard Deviation	N
Overproductive	2,236.5116	2,314.783	43
Underproductive	1,848.4474	1,869.709	38
Total	2,054.4570	2,113.730	81

t-value = 0.82 Significance = 0.413

The non-significant t-value for this variable flies in the face of what most fund raisers commonly hold, that is, that the more calls one makes, the more money one is likely to raise. Three likely conclusions could be drawn in light of the non-significant statistic highlighted above.

One is that the commonly held assumption is wrong and that more solicitation calls have no effect. Second, that these calls do have an effect but that the study's sample was too small to show it. Third, that the question in the survey relative to this variable was not precise enough to elicit a statistically significant difference. The third conclusion is possibly the most likely alternative. More precise questions could have been: what is the number of foundation proposals sent out during a particular year? How many appeals were sent to corporations? What is the size of the direct mail appeal for the annual fund? How many direct-mail appeals are sent out during a given year?

8. The publication of a college newsletter. As Table 20 shows, 56.3% of the overproductive colleges published a newsletter that was sent to their giving constituents. However, 65.1% of the underproductive colleges also published such a newsletter.

The chi-square statistic was not significant; the trend indicated by these data ran against the hypothesis stated for this variable. Thus, the publication of a college newsletter was not related to fund-raising productivity.

9. The use of outside counsel. Table 21 shows the cross-tabulated data for this variable. Of the overproductive colleges, 62.5% indicated the use of outside consultants in their fund-raising programs. By comparison 47.6% of the underproductive colleges reported the use of outside counsel.

TABLE 20

**PUBLICATION OF A COLLEGE NEWSLETTER BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES**

College Category	Newsletter Published		No Newsletter	
	N	Row %	N	Row %
Overproductive	27	56.3	21	43.8
Underproductive	28	65.1	15	34.9
Total	55	60.4	36	39.6

chi-square = 0.746 significance = 0.388

TABLE 21

**USE OF OUTSIDE COUNSEL BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES**

College Category	Use of Counsel		No Counsel Used	
	N	Row %	N	Row %
Overproductive	30	62.5	18	37.5
Underproductive	20	47.6	22	52.4
Total	50	55.6	40	44.4

chi-square = 2.009 significance = 0.156

Considering the size in this study's sample, the difference between the overproductive and underproductive schools was not large enough to be statistically significant. The study's hypothesis could not be accepted. Overproductivity in fund raising cannot, therefore, be characterized by the use of outside consultants.

10. The use of giving clubs. Although the presence of giving clubs favored the overproductive schools (Table 22), the difference between both groups was not statistically significant for the sample in this study. With 89% of all schools having clubs, it is clear that the use of giving clubs did not typify overproductive colleges only. It seems that both groups of colleges have adopted the gift club system as a way of stimulating higher levels of giving among their contributors. For this variable, the study's hypothesis was not accepted.

TABLE 22
THE USE OF A \$1,000 GIVING CLUB BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES

College Category	Have a \$1,000 Club		No \$1,000 Club	
	N	Row %	N	Row %
Overproductive	45	93.8	3	6.3
Underproductive	36	83.7	7	16.3
Total	81	89.0	10	11.0

chi-square = 2.332 significance = 0.127

11. The publication of a president's report. As shown on Table 23, 81.3% of the overproductive colleges published a "President's Report." Only 60.5% of the underproductive schools did likewise. Typically, these publications include a report on the state of the college, a financial statement, and very often, a donor recognition section.

The cross-tabulation yielded a chi-square of 4.801 which was significant at the 0.028 level. It was thus possible to accept the study's hypothesis.

It seems that the publication of a President's Report says something about an institution's responsiveness and accountability to its giving and other constituencies. The kind of communications philosophy that results in the regular publication of such a report, one that may involve considerable detailed planning, is associated with those institutions in this study that raised more money than they were statistically predicted to raise.

TABLE 23
PUBLICATION OF A PRESIDENT'S REPORT BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES

College Category	Publish Report		No Report	
	N	Row %	N	Row %
Overproductive	39	81.3	9	18.8
Underproductive	26	60.5	17	39.5
Total	65	71.4	26	28.6

chi-square = 4.801 significance = 0.028

12. The publication of an honor roll of donors. As Table 24 shows, 87% of all schools published an honor roll of donors. Overproductive and underproductive colleges published these honor rolls virtually in the same proportions. The chi-square of 0.173 was not significant. The study's hypothesis for this variable could therefore not be accepted.

Frequently, a donor recognition list is published as part of the "President's Report." It appears that while some of the underproductive colleges do not publish

a comprehensive President's Report, by far most of schools recognize their donors in print form.

TABLE 24
PUBLICATION OF HONOR ROLL OF DONORS BY
OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES

College Category	Have Honor Roll		No Honor Roll	
	N	Row %	N	Row %
Overproductive	41	85.4	7	14.6
Underproductive	38	88.4	5	11.6
Total	79	86.8	12	13.2

chi-square = 0.17305 significance = 0.6774

13. The greater involvement in the fund-raising process of the college president. Table 25 compares the means for overproductive and underproductive

TABLE 25
PERCENT OF SOLICITATIONS FOR GIFTS OF \$100+
MADE BY PRESIDENTS OF OVERPRODUCTIVE AND
UNDERPRODUCTIVE COLLEGES

College Category	Mean	Standard Deviation	N
Overproductive	14.5250	19.377	40
Underproductive	15.5789	21.731	38
Total	15.0380	20.430	78

t-value = -0.23 significance = 0.822

colleges on this variable. The t-value generated by this comparison was at -0.23, which was not significant. The study's hypothesis could not be accepted.

It is noted that for overproductive and underproductive colleges, as well as for all of the schools that responded to this survey item, the standard deviations were greater than the means thus indicating a substantial variation in the data. The minimum-maximum range of values for these data was between "0" and 90%. Over 10% of the colleges indicated a presidential involvement in at least 45% of these calls for funds.

A review of schools' responses on this item suggests that for some respondents this may have been a difficult or confusing question to answer. This notion is reinforced by the fact that only 86% (78 of 91) of the survey respondents provided an answer to this item. The mean percentage answer rate for all other fund raising policy questions was 97.1%.

It is quite unlikely, for example, for a college president to become involved in 90% of all \$100-plus calls. If these were calls for, say, \$10,000 or more, that kind of involvement seems reasonable and justifiable in terms of presidential time usage. Since the survey did not state how many of the calls may have been for just \$150, for example, that kind of presidential effort does not seem likely.

14. The presence of an active trustee committee for development. As Table 26 presents, 87.5% of the overproductive colleges reported having active trustee committees for development. By comparison, 69.8% of the underproducers indicated having such committees. Almost 80% of all schools had these trustee committees.

The cross-tabulation shown above generated a chi-square of 4.317 which was significant at the 0.038 level. These data allow for the acceptance of the study's hypothesis. For the colleges in this study there is a positive association between fund-raising productivity and the presence in a college of an active trustee committee for development.

TABLE 26
THE PRESENCE OF ACTIVE TRUSTEE COMMITTEES FOR DEVELOPMENT BY OVERPRODUCTIVE AND UNDERPRODUCTIVE COLLEGES

College Category	Had Trustee Committee		No Trustee Committee	
	N	Row %	N	Row %
Overproductive	42	87.5	6	12.5
Underproductive	30	69.8	13	30.2
Total	72	79.1	19	20.9

chi-square = 4.317 significance = 0.038

Active trustee committees for development possibly foster a higher level of giving by the trustees themselves. It is also likely that a higher level of volunteerism on trustees' part to make solicitation calls on behalf of their schools is the result of these active committees. Giving and involvement in the fund-raising process begins at the top, and trustee committees are important in this respect.

15. The greater number of years of experience in advancement and fund raising by the chief advancement officer of a college. All of the responding colleges showed a mean of 10.99 years in their chief advancement officers' experience in the

field. One-third of the reporting schools had chief officers with five or fewer years of experience. Forty-four percent, almost one-half, of the colleges' chief advancement officers had ten or more years of experience in advancement. Thirty percent of the advancement officers had 15 or more years in the field, and 13.6% had 20 or more years of professional experience.

The mean number of years of experience for overproductive colleges was at 11.45 years (Table 27). For underproductive schools, the mean was 10.43 years. The t-value was at 0.55, with a significance level of 0.582. The difference in the means was not significant. The study's hypothesis was thus rejected. In this study, the chief advancement officer's experience was not a function of colleges' productivity in fund raising.

TABLE 27
NUMBER OF YEARS OF EXPERIENCE BY CHIEF
ADVANCEMENT OFFICERS AT OVERPRODUCTIVE
AND UNDERPRODUCTIVE COLLEGES

College Category	Mean	Standard Deviation	N
Overproductive	11.4545	8.437	44
Underproductive	10.4324	8.109	37
Total	10.9880	8.253	81

t-value = 0.55 significance = 0.582

16. The active use of evaluations of the advancement program. Over 56% of all the colleges reported having annual evaluations of their advancement programs.

Overproductive and underproductive schools indicated performing program evaluations virtually to the same extent, 58.7% for the overproductive, and 53.5% for the underproductive schools.

As seen on Table 28, no significant difference exists between both groups on this variable. The study's hypothesis was therefore not accepted.

For this particular survey item, the question could perhaps have been asked in more precise terms. Possible alternatives are: Does your advancement program have a specific evaluation and goals and objectives in writing? When during the year do you hold your evaluation and goal-setting meetings? Do you provide your president with a copy of your annual evaluation and planning document?

TABLE 28

**THE USE OF ANNUAL EVALUATIONS FOR
ADVANCEMENT BY OVERPRODUCTIVE AND
UNDERPRODUCTIVE COLLEGES**

College Category	Use Evaluations		No Evaluations	
	N	Row %	N	Row %
Overproductive	27	58.7	19	41.3
Underproductive	23	53.5	20	46.5
Total	50	56.2	39	43.8

chi-square = 0.245 significance = 0.621

Summarizing, the analysis of the data gathered by means of the survey sent to the colleges in this study's sample revealed that overproductive schools differed significantly in their fund-raising programs from underproductive institutions in the following ways:

1. Their fund raising programs had staff assigned to all of the principal four program functions noted in this study: the annual fund, prospect research, capital giving, and deferred or planned giving.

2. They had a higher number of professional staff assigned to institutional advancement.

3. They published a "President's Report" for their contributing and other constituencies.

4. They had larger mailing lists for fund raising.

5. Overproductive colleges had active trustee committees for development.

Conceptually, overproductive colleges' fund-raising policies can be characterized by a significantly higher degree of fund-raising effort, institutional responsiveness and accountability, and trustee leadership and involvement.

The other 11 policies for which survey data was gathered had no significant relationship to overproductivity in fund raising.

Fund raising policies related to productivity. The five significant fund-raising policies were interpreted and synthesized in terms of three main concepts: fund-raising effort, institutional responsiveness and accountability, and trustee leadership and involvement. Specific conclusions on their significance to the total fund raising program are detailed in Chapter 5.

Fund raising policies not related to productivity. Eleven fund-raising policies were not significantly related to a college's productivity in fund raising. They were:

1. The budgets allocated to institutional advancement
2. A centralized or decentralized advancement organization
3. The presence of a case statement

4. The number of solicitation calls made
5. The publication of a college newsletter
6. The use of outside professional counsel
7. The use of giving clubs
8. The publication of an honor roll of donors
9. The greater involvement of the college president in fund raising
10. The greater experience by the chief advancement officer
11. The active use of evaluations in advancement.

Of these 11 non-significant variables, three showed relatively large differences that were in the hypothesized direction of fund-raising overproductivity. They were: the budgets allocated to institutional advancement, the use of outside counsel, and the use of giving clubs. Seven fund-raising policies showed little difference between the overproductive and underproductive groups: the use of a centralized advancement organization, the publication of a case statement, the number of solicitation calls made, the publication of an honor roll of donors, the involvement by the college president in fund raising, the experience of the chief advancement officer, and the use of evaluations in advancement. The statistics for one policy variable, the publication of a college newsletter, showed a difference in the opposite direction to the one hypothesized in this study.

In relation to the budget variable, it is well to note that it did not have a statistically significant relationship to fund-raising productivity despite the fact that the number of staff allocated to advancement was a significant factor.

In relation to the budget question in the survey, it is interesting to note that 11 of the 91 (12%) respondents had blotted out a first answer, and then checked a

second budget range choice. Another ten schools (10.9%) noted that their budget choices excluded at least one of the institutional advancement functions, in most cases, student recruitment. One school noted having an advancement budget of \$50,000 or less, yet indicated having five advancement staff members.

It seems one could conclude that the survey's budget question may have posed enough uncertainty in some respondents to possibly preclude accuracy. It is possible also that the colleges were not being measured on equal terms on this variable. If this is true, the lack of congruence between the staff and budget variables becomes a bit more understandable. The difference between overproductive and underproductive schools came close to being significant (significance = 0.094). As noted above, the trend was in the direction of the hypothesis.

Regarding the use of outside professional counsel, more than half of all the schools hired consultants. The difference between overproductive and underproductive schools on this variable favored the overproductive schools, yet was not wide enough to be significant. A larger sample of schools may have produced some significant results for this variable.

As state above, there was no association between the experience in advancement by the chief advancement officers and productivity in fund raising. With an average of almost 11 years of advancement experience by the advancement officers of all the schools, both overproductive and underproductive colleges had relatively seasoned chief officers. Productivity was thus not a function of the managers' experience in the field.

Again, colleges' productivity was not statistically associated with the publication of a newsletter or an honor roll, the production of a case statement, the organizational structure of the advancement program, the production of annual evaluation reports or the number of fund raising calls made by the president, and fund-raising staffs. Yet, it should be noted that the majority of all schools answered "yes" to having all of these activities in their fund-raising programs. On the low end of the scale, 56% of all schools noted having evaluations. On the high end, 87% said "yes" to having established honor rolls. In addition, on the average, the colleges made over 2,100 solicitation calls for funds.

It seems reasonable to conclude that while these activities may not be significant predictors of productivity in fund raising, they are all important and fundamental to any school's program. They may relate less to productivity than to the very existence of a fund-raising effort at a college.

Summary

This chapter presents the results of analyses performed on data related to fund-raising productivity at undergraduate, church-related colleges in the United States.

Of 12 financial resource and environmental position variables, this study found that four were significant determinants of a college's potential in fund acquisition. These were size (number of alumni), wealth and stability (market value of endowment), long-standing tradition (age of the college), and its cost (tuition) which related closely to the socio-economic level of the clientele the college attracts.

The colleges in the study's sample were grouped into overproductive and underproductive schools, based on a comparison of actual funds raised with a statistical potential for each institution. A survey was mailed to both groups of colleges to determine the types of fund-raising policies they implemented.

The analyses revealed that fund-raising overproductivity among these colleges was significantly related to a greater fund-raising effort, to the colleges' responsiveness and accountability to its giving constituents, and to trustee leadership and involvement.

CHAPTER V

SUMMARY, FINDINGS, CONCLUSIONS AND DISCUSSION AND RECOMMENDATIONS

This chapter summarizes the research performed to identify those fund-raising policies that can lead private, church-related colleges to increase their income from private contributions. The findings, conclusions and discussion, and recommendations of this study are also presented.

Summary

As stated in Chapter 1 of this study, the past two decades comprise a period of increased competition and financial distress for all types of colleges and universities in the United States. With a decrease in the number of college-age youth, ensuing financial crises have been particularly stressful for private colleges. To many, their very survival has been at stake. Because of their seeming obscurity, church-related colleges face special difficulties in competing for the some \$1 billion in private gifts given to private institutions.

Fund-raising literature has generally been filled with prescriptive recommendations on how private institutions may generate gifts. Much anecdotal fund raising information is available and an unwritten consensus on the effectiveness of various approaches to fund raising persists. However, little research establishes a statistical relationship between the implementation of fund-raising policies and the

amount of funds raised. In the case of church-related colleges, no published research deals with fund-raising effectiveness or productivity.

Thus, the purpose of this study has been to identify the fund-raising policies that can lead private, church-related colleges to increase their income from private philanthropy.

Effectiveness and productivity in fund raising are commonly seen in terms of total dollars raised by a school. This study suggests that measuring an institution's actual gift income against its gift potential may be a better means of assessing fund-raising productivity.

Based on organizational theory literature, it has been determined that a school's income potential is a function of financial resources available in its environment and the competitive position that the school occupies in that environment. The relationship of 12 financial resource and environmental position variables to gift income was hypothesized. Data for these variables were gathered for a sample of 234 church-related colleges. Correlation methods were used to establish the relationship between these variables and gift income.

Multiple regression techniques, which yielded a significant, two-variable equation, were employed to estimate the gift-income potential for each of the colleges in the study's sample.

The colleges were then ranked based on a comparison of actual to potential gift incomes. This comparison yielded a top quartile of 59 "overproductive" colleges, and a bottom quartile of 59 "underproductive" schools. Surveys were then sent to these 118 institutions to determine the extent to which they implemented 16 fund-raising policies identified in the fund-raising literature. Tests of significance

were then used to determine whether there were any differences between the overproductive and underproductive schools in the implementation of these policies.

Findings

The relationship of 12 financial resource and environmental position variables to gift income was hypothesized. Four of these variables were related to financial resources available in the colleges' environments:

1. Number of alumni
2. Number of families with incomes of \$50,000 or more in the Standard Metropolitan Statistical Area (SMSA) closest to each college
3. Total value of grants made by foundations in each college's home state
4. Dollar value added by manufacture to the SMSA closest to each college.

The other eight were environmental-position variables:

1. The percent of freshmen enrolled from the college's home state
2. Cost of tuition
3. The percentage of the senior class going on to graduate school
4. The age of the college
5. The market value of a college's endowment
6. The dollar value of federal research and development for a college
7. Total enrollment
8. Geography, a college's distance from an SMSA.

Of the financial resource variables, only one, number of alumni, was found to be statistically significant and an important predictor of gift income. This finding parallels Pickett's conclusion in his study of undergraduate schools.

Three of the environmental position variables were found to have an important relationship to gift income:

1. Market value of endowment
2. The cost of attendance, or tuition
3. The age of the college.

These findings agree with those in Pickett's study, although he also highlighted in-state enrollment and the proportion of alumni going on to graduate school as significant positional factors.

All of the 12 variables were then used, as independent variables with the colleges' actual gift income as the dependent variable, to predict what each college's gift-income potential should be. Multiple regression techniques yielded a significant, two-variable equation that included market value of endowment and number of alumni. This equation, which explained close to 57% of the variation in gift income, rendered a predicted gift income potential for each of the 234 colleges in the study's sample.

After ranking these schools based on the proportion of actual gift income to potential gift income, a fund-raising policy questionnaire was sent to 59 "overproductive" and 59 "underproductive" colleges. The 16 policies for which an association to overproductivity was hypothesized were:

1. The financial resources allocated to institutional advancement
2. The use of a centralized organizational structure for institutional advancement
3. The presence of four principal fund raising techniques, namely, an annual fund, prospect research, capital giving, and deferred of planned giving

4. The number of professional staff in advancement
5. The presence of a case statement
6. The size of colleges' mailing lists of gift prospects
7. Number of solicitation calls made
8. The publication of a college newsletter
9. The use of outside professional counsel
10. The use of giving clubs
11. The publication of a "President's Report"
12. The publication of an honor roll of donors
13. The involvement of the college president in fund raising
14. The presence of an active trustee committee for development
15. Experience of the chief advancement officer
16. The active use of program evaluations in advancement.

Chi-square and "t" tests were used to determine any statistical difference in the use of these policies by overproductive and underproductive colleges. The analyses performed suggest that overproductive schools were significantly different from the underproductive colleges in the following ways:

1. Overproductive colleges had a higher number of professional staff assigned to institutional advancement.
2. The overproductive schools had larger mailing lists of prospects.
3. More of the overproductive colleges had a full complement of fund-raising techniques including an annual fund, prospect research, capital giving, and deferred or planned giving.
4. More of the overproductive colleges published a "President's Report."

5. A larger number of overproductive schools had an active trustee committee for development.

Conceptually, overproductivity in fund raising is seen among those colleges that have higher levels of fund-raising effort, institutional responsiveness and accountability, and trustee leadership and involvement.

Generally, these findings confirm those in Pickett's study, although he performed analyses for only 13 fund raising policies. His study found advancement budgets and case statements to be significant, but not the publication of a "President's Report." Both his and the present study agree on the importance on fund-raising effort and trustee leadership.

Conclusions and Discussion

The conclusions of this study are reported in five sections: the effect of available financial resources on colleges' fund-raising potential, the effect of environmental position on colleges' fund-raising potential, prediction of fund-raising potential, fund-raising policies as related to fund-raising productivity, and research methodology.

The Effect of Available Financial Resources on Colleges' Fund-Raising Potential

As noted in the findings of this study, only number of alumni was an important predictor of gift income, and not the number of wealthy families, or the value added by manufacture to the SMSA closest to each college's environment, or the grants made by foundations in the college's home state. This suggests that for the colleges in this study, access to giving constituencies is more important than the affluent environment in which they may exist.

*The Effect of Environmental Position
on Colleges' Fund-Raising Potential*

In the study's theoretical construct, it was postulated that a college's position in its environment to a significant extent determined its fund-raising potential. The better a college positioned itself relative to the resources in its environment, the more of these resources it is likely to acquire.

The study's findings support the notion that colleges' gift-income potential has much to do with the way it is perceived among its publics. Significantly important in building a good perception are the college's wealth and consequent financial stability (endowment), its cost (tuition), and its long-standing tradition (age).

The older church-related institution in this study has been able to cast a favorable portrait of itself. It is seen credible, as offering a quality educational program, as an institution that has been in existence a long time, and one that is not likely to disappear as a result of short-term crises that may affect it. It projects trustworthiness. As a result, gifts to its endowment have been good. Perhaps few better factors can stabilize an institution financially than a strong endowment.

A college that is perceived in this way can run the risk of charging higher tuition rates. Consequently, it affiliates with clients, students, and their parents who are willing to pay the higher rates. In all likelihood, these clients associate higher tuition with better educational quality.

One conclusion demonstrated by the study's data and analyses is the notion that while a college always endeavors to reach out to its immediate environment for financial support, its gift-income potential is much less subject to geographical parameters than it is to how well it works its resource potential.

The analyses showed, for example, that the number of alumni was a significant predictor of gift-income potential, while locational factors such as the wealth in the SMSA nearest each college and foundation grants added to their home states were not.

Again, in measuring the potential influence of the "dummy" (how far a college was from an SMSA) variables, the findings showed no significant predictive relationship between geography and gift income. Thus, a church-related college's gift-income potential is much more a function of how well it accesses its prospects than of where it is. With the program activities, with the creation of a good perception of itself, regardless of where it is, a church-related college may be able to influence prospects to "buy into" its educational program through voluntary support.

The implications for policy makers at church-related colleges seem important. While a church-related school may consider itself to be unique in mission and operating philosophy, in terms of fund raising, it is likely that the mechanisms that apply are the same for all charities, educational and non-educational. It is acknowledged, however, that church-related colleges may always have special giving constituencies that support them strongly.

Knowing the significance of environmental variables and the creation of a pro-fund-raising perception among a college's publics, college administrators may do well to be aware of the importance that imaging has for an institution. Imaging is a volitionally driven effort requiring an imaging-oriented institutional mentality as well as the allocation of human and financial resources.

Prediction of Fund Raising Potential

As noted in the study's findings, the market value of a college's endowment and the number of its alumni were significantly important factors in predicting its gift-income potential.

In addition to being institutional characteristics, a solid endowment, a relatively high number of alumni, and the possible relationship between these two variables are also important to a church-related college because they reflect past contributions made. The presence of these factors suggests that a college has been successful in fund raising, and the old adage that "nothing succeeds like success" is commonly believed to apply to this endeavor. Prospective donors are likely to assume that a college with a good fund-raising record is doing well and will continue to do so.

Fund raising policies

In the final analysis, the identification of those fund-raising policies that were more typical of overproductive colleges was the ultimate reason for this study. As noted in the study's findings, overproductive colleges were seen as having higher levels of fund-raising effort, institutional responsiveness and accountability, and trustee leadership and involvement.

Fund-raising effort

Overproductive colleges gave evidence of a significantly greater fund-raising effort: they employed more staff in advancement (consequently, they spent more on advancement), they worked in developing larger mailing lists of prospects, and, to a

greater extent, they had all four functions, annual fund, prospect research, capital giving, and deferred giving in their fund-raising programs.

Although this study may not firmly establish a cause-effect relationship between these policy variables and fund-raising success, there is nevertheless significant statistical evidence that overproductive, church-related colleges made a greater financial investment in their fund-raising programs than did underproductive schools. This finding takes on special significance when considering that both groups of schools, the overproductive and underproductive, were essentially the same in key institutional characteristics such as size. Given these similarities, overproductive colleges raised substantially more money.

Administrators at church-related colleges may wish to note this relationship between investment in advancement and productivity in fund raising. This notion is supported by Willmer (1981b) who notes that particularly the smaller schools, those with enrollments of 2,000 or less, have to spend more of their educational and general expenditures on advancement (p. 74). He recommends that small schools should invest from 4% to 8% of their educational and general budget in institutional advancement.

Institutional responsiveness and accountability

The publication of a President's Report was shown to be significantly associated with productivity in fund raising. The fact that a college is willing to muster the human and financial resources necessary to publish such a report which very often reviews the state of the institution, provides a financial report, and gives thanks and reports to donors on the use of their gifts makes a philosophical statement on where it stands on accountability to its constituents.

Although these reports are undoubtedly important of themselves, they also speak to an overt institutional mindset that is responsive and accountability oriented. Such a mindset emanates "from the top." It ensures that contributors are thanked right away, that the president himself/herself personally writes many letters or makes many "thank you" calls, either by telephone or in person, and he/she prevails on colleagues in administration, including the development officers, to do the same. This type of philosophy should prevail both in "good and bad times." Responsiveness and accountability are likely to serve the church-related college very well.

Trustee leadership and involvement

That "giving starts at the top" is a well-worn, yet well-accepted cliché in fund raising. In higher education fund raising, the almost axiomatic implications in the cliché could not be more true. The involvement of trustees in the development process of a college is quite important, as the significant association of an active trustee committee for development to productivity in fund raising showed in this study.

By their participation in trusteeship, the men and women who lead out for their schools in academic, financial, and legal areas are also challenged to do their best in personal philanthropy for their institutions. Trustees' personal giving is perhaps even more important than faculty and staff giving. Trustees are representatives of society at large, not just the academic community, as important as that is.

As they identify and voluntarily call on other major donors on behalf of their college, trustees' giving takes on greater significance. Their involvement is seen as

important and the schools they represent are perceived as being valuable, as making worthwhile contributions to society. Active trustee committees for development can be vehicles through which this kind of leadership and involvement in the development process can take place.

The creation and utilization of trustee committees for development may also speak to the working philosophy of a college's advancement program. The mere existence of such committees within colleges may not be enough. But their active utilization in prospect identification, solicitation, the use of trustee influence and power in gift acquisition for the college shows that the advancement team of a college, which includes the college president, recognizes the tremendous potential that trustees have for fund raising, for advancement as a whole.

For a church-related college, which is likely to be small, perhaps to be forgotten by major corporate and foundation contributors, trustees can be their best ambassadors. Again, an active trustee committee for development is important to a college's productivity in fund raising. Administrators at church-related colleges may wish to take this finding seriously.

Research methodology

From a theoretical standpoint, a college's gift-income potential offers a sounder evaluative criterion than total gifts raised. Once a college is able to estimate its gift potential, the funds that it then actually raises provides its administration a measure of its productivity and, therefore, its effectiveness. Prediction of gift-income potential is thus a useful tool in assessing a specific college's productivity as well as for comparing groups of institutions.

Given the size of the non-profit sector in the United States, the gift-income prediction method used in this study can also be used in measuring fund-raising productivity among many institutions and agencies. Health-care institutions are but one example. The nature of the financial resources and environmental position variables, and the publicly available data sources may differ, but the estimation concept and methodology can be the same.

Recommendations

This section lists recommendations for further investigation.

1. Although this study highlighted the statistical relationship between certain fund raising policies and productivity in fund raising, the cause-effect relationship was not clearly established. Further research in this area is recommended.

2. The method of predicting gift-income potential used in this study needs further replication with other groups of educational institutions. Doctorate-granting universities, public institutions, comprehensive universities, professional schools, even secondary schools which also report gift income data to the CFAE, all present potential areas for further investigation. Once the gift income prediction method can be standardized, it can be used potentially to compare the fund-raising productivity of groups of institutions.

3. The number of solicitation calls made by college presidents and others did not show any significant association with fund-raising productivity. Both the nature and the frequency of the solicitation calls made must be measured with greater precision in future studies using this methodology. In Chapter 4 of this study, more specific suggestions are made on how this may be accomplished.

4. The policy variable dealing with the budgets allocated to colleges' advancement programs did not show any significant association to productivity in fund raising among the colleges in this study. Several respondents to the fund-raising survey indicated that their advancement programs did not include enrollment management. Thus, there is some evidence in this study that not all of the overproductive and underproductive colleges were being measured on equal terms on the budget question. Given the differences in schools' advancement programs, fund-raising budgets, rather than total advancement budgets, may elicit more accurate responses in future replication efforts.

5. Many non-profit health-care institutions in the United States have sophisticated fund-raising programs and report contributions from private philanthropy. The method of assessing fund-raising productivity as used in this study has potential for investigation among these entities.

6. Future research should be undertaken to explore the possible effect of a chief advancement officer's continuity at any one given institution on fund-raising productivity.

7. Further studies using the research methods described in this document should explore the effects that the use of giving clubs and outside counsel may have on fund-raising productivity.

APPENDICES

APPENDIX A

**RANKING OF 234 COLLEGES BY
INCOME/PREDICTED INCOME**

COLLNAME	INCOME	ENDOWMNT	ALUMNI	PREDINC	INCPRED
KING	2625344	3408	3224	802861.6	3.27
SCHREINER	2427683	2906	5050	838986.1	2.89
BUENA VISTA	3582234	7027	8967	1273057	2.81
IDAHO	2080931	0	9697	819205.5	2.54
GUSTAVUS ADOLPHUS	4570513	13245	13722	1883368	2.43
OKLAHOMA CHRISTIAN	4057269	16769	5340	1801212	2.25
TEXAS LUTHERN	3220117	8279	12022	1477001	2.18
LINFIELD	2603369	6362	9518	1248730	2.08
QUEENS	2574806	7991	6359	1238408	2.08
ECKERD	2007355	5463	4576	996082.8	2.02
BRIDGEWATER	2658495	7904	9966	1371825	1.94
OZARKS SCHOOL	3150728	14077	7812	1712064	1.84
BETHEL COL & SEM	2247276	1924	17584	1255973	1.79
SIMPSON (IOWA)	2853669	10706	12121	1647322	1.73
JAMESTOWN	1364068	1972	5821	804706.4	1.70
SW BAPTIST UNIV	1365654	1609	6621	810718.6	1.68
LAKELAND	1129319	729	4582	671556.1	1.68
LUBBOCK CHRISTIAN	1356906	863	8000	812831.0	1.67
E MENNONITE	1578262	1600	10205	948598.3	1.66
MCMURRY	2561742	12256	6700	1544169	1.66
ILLINOIS BENEDICTINE	1391486	2230	6437	846209.7	1.64
ROANOKE	3371389	16326	12588	2050908	1.64
AQUINAS	1492385	2146	8423	917192.5	1.63
ST. MARY WOODS	1280196	2421	4892	799608.9	1.60
TABOR	1154282	1191	5180	726358.5	1.59
ST AUGUSTINE'S	1755789	6926	5000	1112831	1.58
WILBERFORCE UNIV	1361133	2690	6233	869883.1	1.56
NEBRASKA WESLEYAN	2578047	12064	9901	1654695	1.56
NORTHLAND	1320268	3016	5119	849198.7	1.55
GOSHEN	2365581	6035	17452	1532892	1.54
MONMOUTH	2535500	8399	16163	1645254	1.54
MCPHERSON	1916631	8532	5719	1250789	1.53
HUNTINGTON	1402975	4555	4400	926991.6	1.51
XAVIER UNIVERSITY	1770929	6333	8100	1191944	1.49
ANDERSON	2158838	4467	18656	1471851	1.47
BELLARHINE	1411447	3662	6950	964270.7	1.46
CATAWBA	1443053	1904	10680	987808.6	1.46
BIRMINGHAM SOUTHERN	3734670	25763	9123	2564399	1.46
WARREN WILSON	1495709	6492	3760	1035141	1.44
CULVER-STOCKTON	1927286	7317	10199	1340560	1.44
JUDSON	964588	1304	3762	679314.5	1.42
PRESBYTERIAN	2283322	13921	5575	1614917	1.41
CENTENARY (LA)	3260900	22890	9007	2362825	1.38
KENTUCKY WESLEYAN	1127682	2651	4983	818903.7	1.38
FREED HARDEMAN	1621174	2954	13912	1184735	1.37
SHENANDOAH	971946	1728	3839	711377.0	1.37
TRANSYLVANIA	3543622	27411	7500	2614736	1.36
CEDARVILLE	1009513	700	6600	747548.6	1.35
ERSKINE	1642453	6164	9295	1226529	1.34
CLARK	1178713	2482	7000	885253.3	1.33
MILLIKIN UNIVERSITY	3649532	26029	14064	2773583	1.32
NORTH PARK	1813910	5611	14244	1379838	1.31
DRURY	2267002	13349	9558	1729593	1.31
SOUTHERN	1456186	1035	15739	1123690	1.30
AUGSBURG	1343316	2213	11800	1052287	1.28
WESTMINSTER (MO)	2246730	15000	7522	1764176	1.27
EUREKA	1128709	3200	5931	893199.5	1.26
DANA	1061631	1470	7642	840637.7	1.26
BETHANY	1630596	8937	6220	1297933	1.26
KALAMAZOO	4113531	35535	10208	3276699	1.26
CONCORDIA (MN)	2521167	10001	23229	2028206	1.24
LOUISIANA	1590447	8540	6513	1282021	1.24

COLLNAME	INCOME	ENDOWMNT	ALUMNI	PREDINC	INCPRED
ST AMBROSE	1315651	3406	10000	1064570	1.24
WARTBURG	1317651	2620	11510	1069001	1.23
ST. PAUL'S	831595	1479	3464	679804.1	1.22
HAMLIN	2228195	12927	12800	1825924	1.22
DAVIDSON	5088364	46379	14389	4182178	1.22
COLUMBIA CHRISTIAN	631246	362	1300	519552.6	1.21
RANDOLPH MACON	2088730	15303	6071	1728891	1.21
COE	3090876	23819	13107	2584993	1.20
WOFFORD	1692542	8986	9637	1433338	1.18
WOOSTER	4916281	43193	20360	4194353	1.17
ST. CATHERINE'S	1563546	6263	12000	1337851	1.17
WILSON	1230130	5027	6867	1054704	1.17
MIDLAND LUTHER	1150031	3395	8100	990393.8	1.16
DEFIANCE	1352322	4142	11563	1175460	1.15
CALVIN	2366624	3771	35885	2089888	1.13
CHRISTIAN BROTHERS	1038795	4527	4381	924336.6	1.12
SACRED HEART	572221	5	1796	514229.0	1.11
TREVECCA NAZARENE	1044868	1413	10392	942996.1	1.11
CARSON-NEWMAN	1597038	7477	12601	1444357	1.11
TUSCULUM	746327	806	4646	679311.6	1.10
WESTMINSTER (PA)	2715846	19440	18027	2474712	1.10
BETHEL (KS)	1440956	7155	10042	1323380	1.09
OHIO WESLEYAN	3916546	27755	33090	3627214	1.08
DAVIS & ELKINS	1137334	4876	7150	1055281	1.08
NORTH CENTRAL	1331717	4262	12931	1236556	1.08
GREENVILLE	1101154	1400	12496	1023409	1.08
MACALESTER	4214442	41490	16867	3942544	1.07
ALBION	3166686	28868	14820	2997556	1.06
BALDWIN WALLACE	3108744	24589	21404	2958438	1.05
CAPITOL UNIVERSITY	1728714	7380	18568	1668286	1.04
GETTYSBURG	2724162	22337	17350	2647289	1.03
IOWA WESLEYAN	993629	2385	9477	974318.1	1.02
TRINITY	925645	2245	8072	910420.3	1.02
GARDNER-WEBB	1261421	4340	13000	1244573	1.01
AVILA	843416	2231	6085	832675.9	1.01
ST. JOHNS	2030566	14851	14022	2005135	1.01
WILMINGTON	940126	2804	7766	936943.6	1.00
ALLEGHENY	2856292	25224	14086	2873782	.99
MAYRVILLE	1117741	6151	7361	1150902	.97
LUTHER	1518998	6963	17103	1583067	.96
CORNELL	2270690	21958	11028	2376987	.96
UNION (NEW YORK)	713019	177	7566	748999.4	.95
SUSQUEHANNA UNIV	1231011	6774	10041	1297204	.95
ROCKY MOUNTAIN	600297	853	3400	634386.5	.95
UNION UNIVERSITY	1021632	3572	10201	1083725	.94
VIRGINIA WESLEY	740362	3538	2562	786198.0	.94
ST. SCHOLASTICA	771286	2437	5400	820337.2	.94
OHIO NORTH UNIV	1920811	14296	16447	2060771	.93
WESTMAR	765419	880	8198	821648.6	.93
NOTRE DAME	719213	2902	3396	774796.0	.93
THIEL	1108141	5363	9993	1198553	.92
ELON	1287344	7050	12259	1401848	.92
ADRIAN	1501700	12534	8647	1638479	.92
BRESCIA	658663	2330	3035	721605.8	.91
MARION	791332	1683	8238	878281.1	.90
VITERBO	608740	1175	4044	681362.3	.89
ST. PETER'S	1193060	4228	15876	1348028	.89
DAVID LIPSCOMB	2277122	17536	24320	2587277	.88
W VIRGINIA WESLEYAN	1295963	6931	14380	1475647	.88
MARYMOUNT (VA)	696771	2225	5086	793659.8	.88
BETHEL (IN)	595085	746	4954	687097.6	.87

COLLNAME	INCOME	ENDOWMNT	ALUMNI	PREDINC	INCPRED
TRINITY (VT)	480699	0	2943	558209.7	.86
FERRUM	1000119	4596	10426	1162668	.86
NEWBERRY	847331	3121	8473	986010.9	.86
MARY BALDWIN	1359964	11500	9560	1602826	.85
BRIAR CLIFF	750000	3118	5860	884830.6	.85
AUGUSTANA (SD)	1457114	5492	23327	1722670	.85
ALLETOWN	633751	3488	1843	754983.5	.84
GENEVA	1234450	8104	12453	1481651	.83
CAMPBELLSVILLE	641941	1479	5860	772393.0	.83
AVERETT	717435	357	10376	869934.9	.82
LENOIR-RHYNE	1404740	10692	13732	1708616	.82
MARS HILL	1448138	8677	18725	1763329	.82
ALMA	2202355	27622	9657	2712565	.81
HANOVER	2130423	26609	9300	2629276	.81
HIRAM	1708449	18429	10780	2125309	.80
BETHUNE COOKMAN	841462	4114	8342	1049070	.80
GEORGETOWN	1153547	9111	10000	1455941	.79
HEIDELBERG	1006865	6558	10189	1288105	.78
UPSALA	787178	2357	10440	1009611	.78
MORAVIAN	1371320	12705	11543	1762120	.78
ST. NORBERT	1436680	13105	13113	1850230	.78
ST. ANSELM	726604	2073	9056	936645.7	.78
BAKER UNIVERSITY	1238202	11428	9700	1603297	.77
EMORY & HENRY	1030194	8481	7995	1335242	.77
GUILFORD	1320297	12902	10288	1727137	.76
SIoux FALLS	615301	1547	6765	812030.0	.76
FLORIDA SOUTHERN	1684115	17920	14612	2238472	.75
AUGUSTANA (IL)	1495843	10156	22099	1995173	.75
ST. MARY'S	1758037	18220	16997	2351216	.75
HUNTINGDON	883724	4850	10800	1194545	.74
ST. ANDREWS PRESBYT	823713	5850	6927	1113482	.74
FRANKLIN (IN)	1527176	19655	7523	2083554	.73
ALBRIGHT	1005367	8419	9300	1381418	.73
AUSTIN	2416453	37319	9360	3366314	.72
CARLOW	714261	4420	6563	1001316	.71
CEDAR CREST	735877	4141	7991	1037358	.71
WALLA WALLA	813108	1069	16536	1156821	.70
HENDRIX	2085910	31392	9960	2982900	.70
KANSAS NEWMAN	435241	535	3840	629574.3	.69
MILSAPS	1334685	15056	12383	1955862	.68
CARTHAGE	1115904	11200	10934	1635342	.68
OTTERBEIN	991200	7726	12500	1457536	.68
OHIO DOMINICAN	545223	2695	4500	803257.5	.68
WITTENBURG UNIV	2365899	32902	20530	3494946	.68
MARYMOUNT (KS)	462414	720	5098	690878.6	.67
WILLIAM JEWELL	1850322	27500	12075	2797634	.66
ATLANTIC CHRISTIAN	752706	3080	12512	1139278	.66
SHORTER	675609	5000	6285	1030362	.66
PACIFIC UNION	720194	1757	14025	1106986	.65
BETHEL (TN)	556213	2343	6534	857710.0	.65
NORTHWESTERN	670375	4598	7517	1050392	.64
MADONNA	770174	7995	6036	1226200	.63
MUHLENBERG	1338325	17728	12723	2152303	.62
CLARKE	563157	3610	5600	908535.2	.62
WAYNESBURG	596875	3638	7000	964556.4	.62
MEREDITH	909809	9293	10245	1477894	.62
BELMONT ABBEY	654267	5802	5748	1064628	.61
ILLINOIS WESLEYAN	2433002	40356	19575	3969396	.61
ELIZABETHTOWN	972600	8910	13944	1594560	.61
MANCHESTER	1057190	8894	17765	1741118	.61
SOUTHWESTERN ADVENT	479408	3337	3277	800039.0	.60

COLLNAME	INCOME	ENDOWMNT	ALUMNI	PREDINC	INCPRED
GRAND VIEW	530736	1895	8406	899316.6	.59
ILLINOIS	1014747	14500	8034	1749661	.58
JARVIS CHRISTIAN	353997	0	4300	610648.4	.58
SETON HILL	506542	2934	6134	882796.1	.57
OLDERSON BROADUS	475268	2750	5273	836901.8	.57
ARKANSAS	1542393	31078	4035	2732399	.56
CARROLL (WI)	840430	8959	11579	1506531	.56
MARIAN	413223	2105	4099	747286.9	.55
NEUMANN	329376	1648	1335	609126.4	.54
STONEHILL	864438	12377	8475	1621062	.53
LIVINGSTONE	356793	0	5833	669888.4	.53
ST. MARY	495529	4721	4699	949933.7	.52
CHESTNUT HILL	388094	1511	5230	750243.1	.52
KENDALL	384175	2440	3560	749439.6	.51
MORNINGSIDE	903020	13584	11872	1835134	.49
WILLIAM WOODS	524888	3441	10581	1089423	.48
HIGH POINT	668734	8564	9695	1406630	.48
PAINE	364161	2824	3344	767435.6	.47
BLACKBURN	607064	8409	7377	1306422	.46
RUST	475225	6200	4500	1043705	.46
URBANA	243808	0	2732	550056.0	.44
WESLEY	376260	2133	7199	869001.5	.43
CABRINI	288475	3125	284	669836.6	.43
ELMHURST	752366	10147	16213	1767102	.43
CONCORDIA PAUL	315090	634	7240	767752.5	.41
IMMACULATA	300843	1358	5242	740210.8	.41
COLUMBIA UNION	273204	408	5334	678594.8	.40
MT. ST. CLAIRE	280609	793	5370	706397.4	.40
MT. UNION	891511	21503	9596	2290436	.39
CALDWELL	243642	514	4050	636248.7	.38
PT. LOMA NAZARENE	733264	6392	28500	1984312	.37
GREENSBORO	343172	3818	6500	957583.1	.36
ATLANTIC UNION	220610	259	4144	622387.8	.35
COLUMBIA	408606	4265	11013	1162644	.35
OAKWOOD	226515	801	4487	672824.3	.34
CENTRAL WESLEY	269159	648	8500	817403.3	.33
GEORGIAN COURT	219674	817	4849	687910.8	.32
FONT BONNE	219858	113	6283	695029.7	.32
ALVERNIA	160035	203	1560	518692.3	.31
MERCY C DETROIT	317597	4543	7530	1047121	.30
CHAMINADE U.(HONOLU)	210255	667	5359	697328.6	.30
REGIS	531046	14315	10292	1824226	.29
OUR LADY OF HOLINESS	145195	0	1727	511219.6	.28
BENNETT	243486	3772	4200	865548.2	.28
LYCOMING	446417	10651	11148	1605949	.28
LA ROCHE	170448	1481	2786	653741.2	.26
SILVER LAKE	103567	312	1085	507814.3	.20
CARROLL (MT)	172012	3490	7089	957842.7	.18
HOLY FAMILY	77061	64	2672	552127.9	.14
MALLINCKRODT	22745	231	942	496731.6	.05

Number of cases read = 234 Number of cases listed = 234

APPENDIX B

SURVEY

Fund Raising Policies Questionnaire

Institution _____

Person Completing Questionnaire _____

Title _____ Telephone _____ Date _____

1. As respondent to this questionnaire, are you the chief advancement officer at your institution? Yes___ No___

2. If your answer to question #1 is yes, how many years have you worked in institutional advancement? _____ years

3. In what year did the current president of your institution assume his/her office? _____

4. Excluding clerical or secretarial employees, were professional staff (full or part time) assigned to the following functions in your institution's fund raising program between 1983 and 1985?

Annual fund Yes___ No___

Prospect Research (including research of corporations, foundations, and individuals) Yes___ No___

Capital Giving (includes gifts for buildings, equipment, endowment, and special projects) Yes___ No___

Deferred or Planned Giving Yes___ No___

5. Please estimate your institutional advancement expenditures during 1984-1985. (Institutional advancement functions include fund raising, public relations, alumni relations, enrollment management or student recruitment, and publications)

- | | |
|--------------------------|----------------------------|
| Under \$ 50,000 _____ | 551,000 to 600,000 _____ |
| 51,000 to 100,000 _____ | 601,000 to 650,000 _____ |
| 101,000 to 150,000 _____ | 651,000 to 700,000 _____ |
| 151,000 to 200,000 _____ | 701,000 to 750,000 _____ |
| 201,000 to 250,000 _____ | 751,000 to 800,000 _____ |
| 251,000 to 300,000 _____ | 801,000 to 850,000 _____ |
| 301,000 to 350,000 _____ | 851,000 to 900,000 _____ |
| 351,000 to 400,000 _____ | 901,000 to 950,000 _____ |
| 401,000 to 450,000 _____ | 951,000 to 1,000,000 _____ |
| 451,000 to 500,000 _____ | 1,001,000 or more _____ |
| 501,000 to 550,000 _____ | |

6. Excluding clerical and secretarial employees, how many professionals did you have working in your institutional advancement program during 1984-1985? (*Institutional advancement functions include fundraising, public relations, alumni relations, enrollment management or student recruitment, and publications*) _____professionals

7. For the 1984-1985 academic year, what was the estimated size of your total mailing list for fund raising purposes? (*Please include alumni, friends, parents, foundations, corporations and businesses, etc.*) _____names

8. What was the estimated number of fund raising solicitation calls made by you, your staff, the president, trustees and volunteers during 1984-1985? (*Exclude direct mail appeals in your estimate, but do include telephone solicitations.*) If you cannot give an estimate for 1984-1985, please provide the estimate for the most recent full academic year.

Solicitation calls during 1984-1985: _____

OR

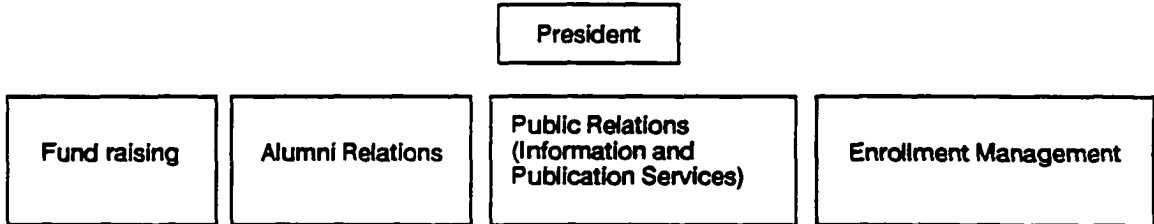
Solicitation calls during the _____ year: _____

9. Please give an estimated percentage of the solicitation calls for gifts of \$100 or more made by the president of your institution. _____percent

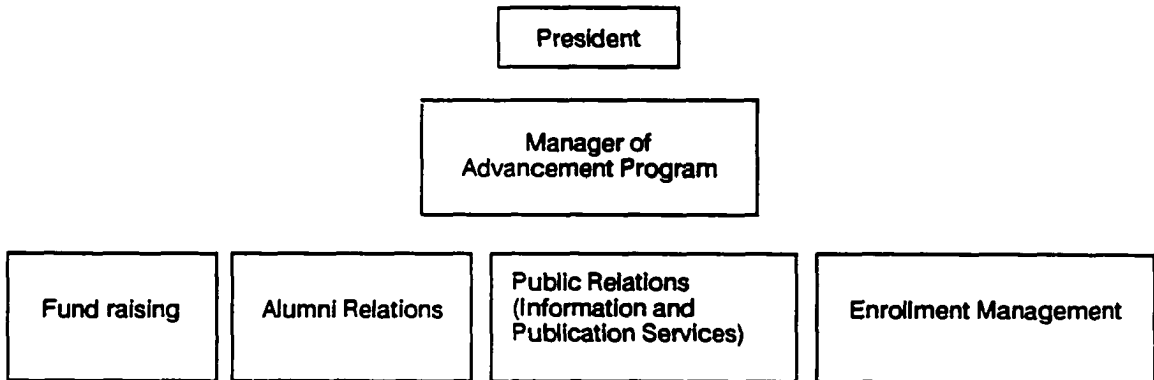
10. From 1983 to 1985, did your institution,
- a. publish a regular newsletter other than alumni publications? Yes___ No___
 - b. publish a President's Report? Yes___ No___
 - c. publish an honor roll or recognition list of donors? Yes___ No___
 - d. have a special gift club with a \$1,000 gift minimum? Yes___ No___
 - e. have an active development or fund raising committee on its board of trustees? Yes___ No___
 - f. retain outside professional, fund raising counsel? Yes___ No___
 - g. have a formal, written case statement? Yes___ No___
 - h. produce annual evaluation reports for its institutional advancement programs? Yes___ No___

11. Which of the following brief organizational charts shown most closely resembled the organizational pattern for the institutional advancement program at your institution from 1983 to 1985? (*Institutional advancement functions include fund raising, public relations, alumni relations, enrollment management or student recruitment, and publications*). Please indicate your choice by checking a or b. If neither a nor b fit your program, please briefly draw the pattern that best fits your organizational scheme.

a. _____



b. _____



c. Other _____

Thank you for your assistance with this project. Please return this questionnaire to:

Albin Grohar
4876 Kimber Lane
Berrien Springs, MI 49103

For further questions call (616) 471-3592, 8:00 a.m. - 5:00 p.m. (EST).

APPENDIX C
COVER LETTERS

January 23, 1989

Ms. Antoinette Makowski
Director of Development
Immaculata College
Immaculata, PA 19345

Dear Ms. Makowski:

What are the fund raising policies that are the most effective for a private, church-related college or university to increase its income from private philanthropy?


As a development/advancement executive for a church-related institution, you may have pondered this question at some time during your years of professional service. I know that I have during my 11 years of development work at Andrews University, a church-related institution.

Our institutions face special circumstances. We're often small, sometimes forgotten by the large philanthropies, and often we have to be responsive to a complex church structure and varied constituency as well as to our general publics. Again, the central question is, in view of all this, what are the most effective fund raising policies for our schools?

I have been able to address this question on the topic approved for my Ph.D. dissertation at Andrews University. To complete my study, I would be grateful to you for answering the enclosed questionnaire. It is quite brief, and should take no more than 15 minutes to complete. The data you share will be held confidential and will be summarized in the dissertation or in any resulting publications.

I have enclosed a self-addressed, stamped envelope for your convenience and will be happy to send you an abstract of my completed dissertation at your request. Thank you very much for your help.

Sincerely,



Albin Grohar
4876 Kimber Lane
Berrien Springs, MI 49103

April 4, 1989

&name&
&title&
&addr1&
&addr2&

Dear &lname&:

I really need your help! About two months ago you received a brief questionnaire regarding fund raising at your institution. To date, I haven't heard from you with your completed return. I know that it is sometimes difficult to make a survey a priority item with one's busy schedule.

Yet, as I said in my original letter to you, this survey is a key element to the doctoral dissertation I am striving to complete. Could you please take just a few moments now to fill it out? I am pleased to enclose another copy of the questionnaire plus a self-addressed, stamped envelope for its return.

My sincere thanks to you, and cordial greetings.

Sincerely,

Albin Grohar
4876 Kimber Lane
Berrien Springs, MI 49103
(616)471-3592
(616)471-9485

Enclosures

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VITA

NAME: Albin Horst Grohar

DATE OF BIRTH: September 12, 1943

PLACE OF BIRTH: Graz, Austria

FAMILY: Wife: Hope Irene Benavides Grohar
Sons: Albin, Brian

EDUCATION:

1989	Doctor of Philosophy -- Educational Administration Andrews University
1969	Master of Arts in Teaching -- Biology Andrews University
1967	Bachelor of Arts -- Biology Andrews University

PROFESSIONAL EXPERIENCE:

1989 -	Executive Director, University Advancement Loma Linda University, California
1985 - 1989	Director of Development, Andrews University Berrien Springs, Michigan
1978 - 1985	Director of Foundation Research Andrews University, Berrien Springs, Michigan
1975 - 1978	Director of Program Planning and Evaluation Michigan Economics for Human Development Lansing, Michigan
1969 - 1975	Director of Personnel Training Michigan Economics for Human Development Mt. Pleasant, Michigan