The Center on Philanthropy at Indiana University

Affluence and Altruism

What motivates the wealthiest donors?
# Table of Contents

3  Cultivating New Growth  
   A message from the executive director

4  True North  
   Updated handbook helps nonprofits navigate the sector

6  History Detective  
   Knowing philanthropy’s past provides future insight

8  Affluence and Altruism  
   How do the wealthiest donors make giving decisions?

10 Chairing Fundraising’s Future  
   Innovative research for fundraisers

13 Spotlight on Volunteers  
   Analysis of your most important asset

14 Funding the Fundamentals  
   Will foundations cover overhead?

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*Cover art: Elizabeth Raymer*
Cultivating New Growth

Spring is a time for breaking new ground, for planting seeds and cultivating new growth. And that is exactly what is happening at the Center on Philanthropy this spring.

Groundbreaking new research and resources abound in this issue of Philanthropy Matters, from the most comprehensive study ever conducted of wealthy donors’ philanthropic habits to a new handbook that helps nonprofits understand the complexities of the philanthropic world and their place in it.

Spring is also a time for renewal, reminding us that everything old is new again. This issue’s article about philanthropy’s history demonstrates how the lessons of the past can illuminate philanthropy’s future and also highlights the importance of qualitative, humanities-based research to donors and the work nonprofits do every day. Although our numbers-based studies are more often cited, both aspects of research are vital for a clear understanding of philanthropy.

Our ability to provide nonprofit professionals, students, scholars, and philanthropists with the research, education, training, and services they need, and to cultivate new ideas that keep them on the cutting edge, is due largely to the generosity of our funders and donors. Lilly Endowment Inc., whose support helped create the Center and nurtured its growth into a comprehensive national resource, recently gave the Center a generous, $40 million endowment to help underwrite permanently a portion of the Center’s future operating expenses. The funds will help the Center continue to ensure that nonprofits have the capacity and knowledge to pursue their missions successfully.

Shortly thereafter, confidence in the Center’s work and its ability to spur future philanthropic acts, coupled with an opportunity to extend its impact through matching funds provided by the Lilly Endowment grant and a W.K. Kellogg Foundation grant for endowment, led the Wilbur and Hilda Glenn Family Foundation to give the Center a $1.5 million endowment. The Glenn Family Innovation Fund will provide a permanent stream of infrastructure support, allowing the Center to respond rapidly to new opportunities and challenges in the nonprofit sector by developing and launching new programs. These funds provide the kind of seed money for experimentation and nurturing new ideas that is common in medical research but new in Philanthropic Studies.

The Center has been breaking new ground since 1987. As this issue arrives on your desk, we are beginning an 18-month celebration of our 20th Anniversary. The festivities will include events and activities across the country and in Indianapolis. We are excited about this opportunity to reflect on our history as we build on that progress to continue to move philanthropy forward. We invite you to join us as we celebrate our successes and look to the future. Please watch for more information coming soon.

Cordially,

Eugene R. Tempel
Executive Director, The Center on Philanthropy
at Indiana University
Publisher, Philanthropy Matters
What is your “true north?” For people working in nonprofits, whether novices or experts, there is now a compass: The Nonprofit Sector: A Research Handbook. The second edition of this essential guide provides an in-depth look at the sector and its theoretical roadmap. “If you’re a nonprofit professional, you know how your organization works,” co-editor Richard Steinberg says. “Now, with this book, you can learn why.”


“For example, a new chapter answers the question ‘Why Do People Give?’” says Steinberg, who applies economic theories to the study of charities and other types of nonprofit organizations as a professor of economics and Philanthropic Studies at
Indiana University–Purdue University Indianapolis. The chapter, written by Lise Vesterlund, “may be especially useful for fundraisers, as it summarizes solid experimental evidence on approaches to fundraising that can increase net proceeds from donators.”

The Nonprofit Sector is a rich reference, written by experts in disciplines such as economics, education, history, and public administration. Each chapter can be read on its own, allowing readers to focus on the subjects of most interest to them. And Steinberg notes that though the writers are top researchers in their fields, the book is not overtly technical.

Powell predicts that beginning and mid-career nonprofit professionals will find the handbook to be particularly valuable, especially the chapters on tax policy (“The Federal Tax Treatment of Charitable Organizations,” by John Simon, Harvey Dale, and Laura Chisolm) and on board governance (“Governance: Research Trends, Gaps, and Future Prospects,” by Francie Ostrower and Melissa M. Stone). “The Legal Framework for Nonprofit Organizations,” by Evelyn Brody, outlines the development of the legal structure that regulates the nonprofit sector. “This research is extremely useful to professionals on the ground,” says Powell.

“The book’s writers are part of a community of scholars who are helping the field to grow,” Steinberg says. “Nonprofit professionals are often too busy ‘putting out fires’ to reflect much on the scholarship, but we’re hoping that this book will help change that.

“We also hope to reach the next generation, those who are now completing Philanthropic Studies and nonprofit management programs in colleges and universities, to provide a research background that will serve them throughout their careers,” he says. The number of such programs offered by U.S. higher education institutions has increased from one in 1981 (at the University of Missouri–Kansas City) to more than 250.

As the nonprofit sector grows, it is important to continue to consider: what activities are best conducted by for-profit firms? By nonprofit organizations? By government agencies? This is the central question discussed in Steinberg’s chapter “Economic Theories of Nonprofit Organizations.” Most of what’s been written until now employs the “three failures theory,” the idea that each sector steps in when the other two fail.

Though helpful, the three-failures theory is an incomplete explanation of the nonprofit sector’s economic role in society, says Steinberg, “omitting the supply side and focusing on the efficiency roles of the sector to the relative exclusion of other roles.” Nonprofits don’t just provide services, they shape individual preferences (through advocacy, social marketing, and evangelism), provide opportunities for like-minded or diverse groups to associate and work together, and provide avenues for personal expression.

Remaining true to organizational goals is critical but increasingly challenging for nonprofits. “Nonprofit Mission: Constancy, Responsiveness, or Deflection?”—written by Powell and Debra C. Minkoff, professor of sociology at Barnard College—explores the ways that nonprofits struggle to remain true to their missions despite pressures to redirect agendas in response to demands of funders. After examining the experiences of several nonprofit agencies in the San Francisco Bay area, Powell’s advice to managers of nonprofits is that “funders may pull you in all directions, but remember what your true north is.”

In addition to Steinberg, Center on Philanthropy faculty members who also contributed articles are Efroymson Chair in Philanthropy Kirsten Grønbjerg, co-author of “Scope and Theory of Government-Nonprofit Relations,” and associate professor of history and Philanthropic Studies Kevin Robbins, who wrote “The Nonprofit Sector in Historical Perspective: Traditions of Philanthropy in the West.” (See page 14 of this magazine for more information about Robbins’ research.)

By addressing such topics, the handbook gives nonprofit professionals a sense of the common traditions that unite diverse nonprofit organizations and serves as an all-inclusive reference guide to the nonprofit sector, fulfilling a central tenet of the Center on Philanthropy’s educational mission: professional development, says Steinberg.

Funding for the project came from the McCormick Tribune Foundation, the Aspen Institute’s Nonprofit Sector Research Fund, the Center for Social Innovation at the Stanford University School of Business, and the Center on Philanthropy at Indiana University.

To contact Richard Steinberg, e-mail rsteinbe@iupui.edu or call (317) 278-7221. To contact Walter Powell, e-mail woodyp@stanford.edu or call (650) 725-7391. The Nonprofit Sector: A Research Handbook, second edition, can be ordered from the Center on Philanthropy (www.philanthropy.iupui.edu/books.html) or by calling 317-274-4200 or from its publisher, Yale University Press (www.yalepress.yale.edu).
People who work in philanthropy often find themselves thinking about the future: the next big ask, finalizing next year’s budget, tomorrow’s volunteer recruitment meeting. For Kevin Robbins, though, it is the past that practitioners should be interested in. For thousands of years, Robbins says, philanthropy and all its aspects have been discussed and debated by the greatest minds of the day—and today’s philanthropic actors can learn a lot from those long-ago lessons.
“Ignorance of the history of philanthropy is very broad in society in general,” says Robbins, Indiana University–Purdue University Indianapolis associate professor of history and associate professor of Philanthropic Studies at the Center on Philanthropy at Indiana University. “We are doing students and practitioners of philanthropy a real disservice if we do not offer them a readily understandable synopsis of the regimes of philanthropy over time.”


From ancient Jewish life (900 B.C.E.) to modern Europe (after 1700 C.E.), Robbins’ work paints a vivid picture of the many ancient and not-so-ancient concepts and ideas about philanthropy that remain relevant today. Take, for instance, the great Roman author Seneca and his treatise On Benefits. Says Robbins, “I have a former student who says she gives that text to all her major donors. She sees it as being such a perennially useful article on what it means to give and receive—and it’s 2,000 years old.”

Robbins’ article also delineates several major historical trends in philanthropy and how they have changed the field. Many are ideas that continue to affect how nonprofits operate today. The first of these is the “rationalization” of charity over time—the notion there is an inherent scarcity of charitable resources and that all charity must be managed carefully. Robbins says this idea came about around 1400 C.E. After 1500 C.E., the concept of “capitalization” of charity over time takes hold. This concerns the tendency of donors to consider gifts as investments with tangible and intangible returns. In other words, donors want to make gifts that will give them the biggest return on their investments, says Robbins, and charity becomes equal with capital.

Robbins says the “nationalization” of charity is one of the more dramatic developments in the history of philanthropic activity. “This concept leads great private donors to ask essentially, ‘How does my gift benefit first and foremost the nation of which I am a part?’” he says.

This became an increasingly vital question in the eighteenth and nineteenth centuries when political leaders began to see that the real strength of the state lies not in its military, but in its economy. American philanthropist Andrew Carnegie is an exemplar of this idea. “He believed that the absolute best investment a country can make is in the creation of an educated workforce,” says Robbins. “He intended that his great Carnegie libraries would help new generations of entrepreneurs become well-educated and go on to benefit the nation.”

“Seneca’s treatise On Benefits is a perennially useful article on what it means to give and receive—and it’s 2,000 years old.”

Which leads to the debate over whether philanthropy is a duty or a voluntary action. As a historian, Robbins is firmly on one side. “It’s only about the last 200 years that we’ve managed to convince ourselves that giving is a voluntary action when for the last 2,000 years it was seen as a duty. Why talk about giving as voluntary when the great bulk of history looks at it as a moral imperative?” he asks.

Knowing this will help empower modern-day ‘philanthropoids’ to be bolder toward potential donors, Robbins says. Why assume that a donor sees your gift as one choice among many when he or she may be profoundly motivated by a sense of obligation?

Robbins hopes that knowledge of philanthropy’s storied past allows practitioners to shape its future. “It’s not merely knowing about the past—it’s recognizing that the great commentators on the practices of philanthropy can still have a real bearing on the ethical and daily practice of philanthropic activity in the United States in the twenty-first century,” he says.

To contact Kevin Robbins, e-mail krobbin1@iupui.edu or call (317) 274-5819.

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Courtesy The Lilly Library, Indiana University, Bloomington, Indiana

Left: The Rich and The Poor Artist Unknown (Italian)
Palazzo Della Ragione, Padua
Affluence and Altruism

Landmark Study for Bank of America Illuminates Philanthropic Views and Practices of Wealthiest Donors

What's worth the most to those who have the most wealth? It may be the freedom to give a great deal of that wealth to worthy causes.

The Bank of America Study of High Net-Worth Philanthropy, a new study by the Center on Philanthropy at Indiana University, examines the giving motivations and habits of individuals with incomes greater than $200,000 or net worth in excess of $1,000,000. These “high net-worth” individuals are the wealthiest 3.1 percent of the U.S. population; they give the majority of the money contributed to charitable organizations by individuals in the United States each year.

The most comprehensive survey to date of the philanthropic behavior of wealthy Americans, the random sample study reflects the opinions of nearly 1,000 high net-worth respondents throughout the country.

An astounding 98 percent of high net-worth households donate to charity, says Patrick M. Rooney, director of research at the Center on Philanthropy. The average total amount given by a high net-worth household in 2005, the year studied, was $117,488 compared with $1,917 for the average U.S. household.

Also interesting were the motivations for these gifts, which survey respondents indicated were largely altruistic, says Rooney. The majority of these donors also said their giving patterns wouldn't change even if tax benefits for donations changed. Donations of time were important as well: 80 percent reported being volunteers, while two-thirds had done some kind of active fundraising.

8 · Philanthropy Matters
Bank of America contracted the study in part to learn more about today’s high net-worth donors, many of whom are intent on seeing results.

“We see our wealthy clients thinking more strategically about their charitable giving, but acting based on specific requests,” says Alan Rappaport, president of Bank of America Family Wealth Advisors. “These findings will help us provide even greater insight to our clients around philanthropic trends and extend the impact of contributions to charitable organizations.”

In discussing the need for the study, Cary Grace, Bank of America Philanthropic Management national executive, said “Philanthropy in the United States is evolving dramatically. With the wealthiest 3 percent of American households responsible for nearly two-thirds of individual charitable giving, Bank of America wanted to provide its clients—both the individuals that give and the nonprofit institutions that seek their donations—the most comprehensive view to date of the charitable giving trends and motivations of affluent Americans.”

Significantly, the study indicates that entrepreneurs gave more on average than people with inherited wealth, says Heidi Frederick, assistant director of research at the Center on Philanthropy.

“This may be because entrepreneurs have more wealth and income on average, and those who have more tend to give more,” says Frederick. Donors whose money came from entrepreneurial activities gave an average of $232,206 in 2005—more than twice the amount given by those with inherited wealth, which averaged $109,745.

“Maybe they feel very lucky they’ve made so much money and want to be more generous,” says Rooney. “Entrepreneurs might feel ‘it’s mine to give away,’ while those who inherited it may feel ‘I have a family responsibility to protect this asset.’”

Twenty-three percent of wealthy donors’ giving was to organizations serving a combination of purposes, such as United Way, foundations, and funds and trusts, compared with just 10 percent of average Americans’ giving. High net-worth households gave 22 percent of their contributions to religious organizations, far less than the national average of 60 percent among non-high net-worth households.

Rooney notes that while high net-worth households give substantially larger dollar amounts to religious causes than the typical household, they give much more on average to secular causes—primarily to foundations, funds, trusts, United Way, and education—than to religious organizations. They also give to a broader range of causes.

Nearly 75 percent of high net-worth households reported they would give more to charity if organizations spent more on helping constituents and less on overhead. “No organization can afford to ignore this issue,” Frederick says. “They have to address their overhead costs with major donors and help them understand that reasonable fundraising and administrative costs are necessary if nonprofits are to be effective.”

Of particular interest to fundraisers is that a higher proportion (41 percent) of respondents reported seeking advice about charitable giving decisions from fundraisers or other nonprofit personnel than from any other group of advisors, including their lawyers or accountants.

“This highlights that the role of fundraisers and nonprofits isn’t just to entice donors to give to their particular organization, but to educate them about philanthropy as a whole,” says Frederick. Rooney hopes the study will help inform the dialogue between donors and fundraisers. “Donors will better understand their peers, and fundraisers will have better insight into high net-worth donors,” he says. “It may not change the very basics of building relationships and linkages, but it gives a better understanding—what words to use and not to use during those fundraising conversations.”

KEY FINDINGS:

- “Giving back” is more important than “leaving a legacy.”
- Wealthy donors report that even major tax policy changes wouldn’t impact their giving.
- High net-worth donors are more likely to consult fundraisers and nonprofit personnel than other advisors when making giving decisions.
- Wealthy donors support a broader array of causes than donors in general.
- More than one-fifth of the total amount donated by high net-worth households was directed to educational organizations.

MORE INFO

Download the initial findings report at www.philanthropy.iupui.edu/Research/giving_fundraising_research.aspx. Contact Heidi Frederick at hkbaker@iupui.edu or 317-278-8963.
Chairing Fundraising's Future

Real solutions for nonprofits and strategies that make a difference for the people they serve: that’s what matters to Adrian Sargeant.

Sargeant holds the Robert F. Hartsook Chair in Fundraising—the nation’s first endowed chair in fundraising—at the Center on Philanthropy at Indiana University. The first scholar to hold the chair, he wants fundraising professionals to help determine what research is conducted, and he wants to make sure they get access to the results.

“We can drive what people are researching and marry up professional needs with what’s going on in academia,” he says. “I genuinely think that this chair shouldn’t rest within the walls of Indiana University but should be out talking to as many people and professional groups on as frequent a basis as is humanly possible.”

The chair was established by a $1.5 million gift to the Center from Bob Hartsook, a leader in philanthropic fundraising and the founder of Hartsook Companies, Inc. “The Hartsook Chair is the first attempt by any university to make fundraising a legitimate topic of study,” says Gene Tempel, executive director of the Center on Philanthropy.

Tempel, Sargeant, and Hartsook agree that the Hartsook Chair can make a difference in fundraising by producing leading-edge research and disseminating it directly to fundraising professionals.

“T’m convinced that we can do a better job of increasing philanthropy in this country,” Hartsook says. “The level of giving has been flat for far too long. The answer to this problem is to increase the focus on fundraisers and the vital role they play in philanthropy. Moving the skill-based approach for training fundraisers to a research-based model of education will undoubtedly help make fundraisers more effective.”

The result, Tempel says, “is that organizations will have more resources to help them raise money and implement their missions.”

Sargeant, 42, began helping fundraisers early in his academic career. A native of Cornwall, United Kingdom, Sargeant earned a Ph.D. in marketing from the University of Exeter. He realized that although researchers had looked at fundraising in the context of disciplines such as economics and sociology, there was little research examining fundraising from a marketing perspective. Nonprofit marketing and fundraising quickly became his specialty.

“This is someone who has spent his entire academic career looking at fundraising’s impact on nonprofit organizations,” Tempel says. “He has a better track record in studying fundraising than anyone else in the world.”

Sargeant taught the United Kingdom’s first undergraduate course in fundraising while he was professor of nonprofit marketing and fundraising at the University of the West of England. He developed a Web site called CharityFacts (www.charityfacts.org) to educate the British public about charitable giving and how fundraising works. Most important for U.S. fundraisers, he’s conducted innovative research on several facets of fundraising.

Hartsook Chair
Adrian Sargeant is improving fundraising through innovative research and communication with fundraisers
and their relationships to giving behavior, including public trust and confidence in charities, donor commitment, branding, and donor retention.

“The work on retention is absolutely key because the single biggest challenge the sector faces now is not going out and finding lots of new donors—it's trying to keep people who are giving loyal to the organization,” Sargeant says. “Improving an organization's retention rate by as little as 10 percent can increase the lifetime value of its fundraising database by up to 200 percent.”

He presents his findings at conferences worldwide—one of several ways he connects with academics and fundraisers—and he’s editor of the International Journal of Nonprofit and Voluntary Sector Marketing. Sargeant’s international expertise also includes partnerships with overseas universities. He is an adjunct professor at the Centre of Philanthropy and Nonprofit Studies at Queensland University of Technology in Brisbane, Australia.

Sargeant teaches undergraduate and graduate courses in fundraising and nonprofit marketing as a professor of Philanthropic Studies at the Center on Philanthropy in the IU School of Liberal Arts and as a professor of nonprofit marketing in the IU School of Public and Environmental Affairs (SPEA), both at Indiana University–Purdue University Indianapolis (IUPUI). His SPEA professorship is a new position funded by IUPUI’s Commitment to Excellence initiative, designed to improve undergraduate education.

He will also work with The Fund Raising School at the Center on Philanthropy to translate fundraising research into practical, professional curricula and will teach and train in its seminars and workshops. The School teaches the principles of ethical, effective fundraising to more than 8,000 people each year.

“The Fund Raising School strikes the right balance between academic rigor and practicality,” Sargeant says. Sargeant’s plans for research projects include benchmarking U.S. charity costs and studying the relationship between nonprofit brand values and personal values. He also wants to look at a new area: identification, which he describes as “the extent to which people define who they are, or at least part of who they are, by their support of different nonprofit organizations. Understanding that dynamic is going to be quite key in terms of driving donor loyalty.”

Sargeant will disseminate key research findings—from his own studies and those of other experts—to professional fundraisers. He envisions an information-based Web site, like CharityFacts but for practitioners.

He also wants to catalogue and develop a knowledge base for fundraisers and rethink how universities and professional bodies educate fundraisers. “We like to think of ourselves as a profession, but we're about the only profession that doesn’t have a clearly defined body of knowledge,” he says. “What are the two or three theories of giving behavior that we would expect every fundraiser to know, or the two or three things about donor retention? What are the three ways that branding can impact fundraising? I want to open that debate.”

Sargeant sees the Hartsook Chair as an important step in drawing more academics to fundraising and improving the whole field.

“This shouldn't be the only chair in fundraising,” he says. “What I hope will happen as a consequence of the Hartsook Chair is that other institutions will take note and make similar appointments. If there were 10 such positions we could change the world.”

**MORE INFO**

To share your thoughts about fundraising research, contact Adrian Sargeant at asargean@iupui.edu or (317) 278-0488.
Thanks to David Reingold, the world now knows a lot more about U.S. volunteers.

Reingold, associate professor and director of public affairs and public policy Ph.D. programs for the Indiana University School of Public and Environmental Affairs, and Rebecca Nesbit, doctoral candidate in public affairs, analyzed the data contained in the study “Volunteer Growth in America: A Review of Trends Since 1974.”


Reingold, who is also an associate professor of Philanthropic Studies at the Center on Philanthropy, spent three years as director of research and policy development for CNCS, serving as one of the principal architects of the plan for the federal government to start collecting data on volunteering trends.

Before 2002, such data were collected only periodically through smaller surveys by private groups, such as Independent Sector. Reingold played a key role in tying questions about volunteer behavior to the Bureau of Labor Statistics’ Current Population Survey (CPS), a monthly labor market study. Now, every September, the CPS includes 10 questions about volunteer behavior.

“With a 90 percent response rate, the CPS is one of the most well-administered surveys in the United States,” says Reingold. “Since you’re dealing with about 130,000 people, you can really have some confidence in how volunteering is changing for different subgroups. This report really sheds some light on just what the volunteer labor market looks like and will help nonprofits plan how they recruit, manage, and utilize volunteers.”

“David Reingold continues to push the nation’s understanding of civic engagement and I am so grateful for his partnership,” says David Eisner, CEO of the Corporation for National and Community Service.

The report shines a spotlight on some very clear trends; key findings of the report include:

- Older teenagers (ages 16–19) have more than doubled their time spent volunteering since 1989.
- Far from being a “Me Generation,” Baby Boomers are volunteering at sharply higher rates than did the previous generation at midlife.
- The volunteer rate for Americans ages 65 years and over has increased 64 percent since 1974.

These findings are significant in part because young people and senior citizens tend to volunteer at a lower rate than other age groups. For Reingold, one of the most interesting findings is the doubling of the rate of volunteering for full-time college students. “That’s a significant change and it surprised me. I want to know what’s driving this. Is it career building, pure altruism, or some combination of both?” he asks.

Reingold’s data analysis was supported by a grant from the Center on Philanthropy’s IU Research Fund, which supports faculty research in philanthropy.

For more information on the “Volunteer Growth in America” report, go to www.nationalservice.gov or e-mail David Reingold at reingold@indiana.edu.
Nearly 70 percent of foundations cover some of nonprofits’ overhead costs.

Funding the Fundamentals
It’s an accepted adage for many in the nonprofit sector: most foundations don’t want to foot the bill for nonprofits’ overhead costs. Or do they?

A study conducted by the Center on Philanthropy at Indiana University and funded by the Aspen Institute disproves that theory and offers some surprising insights regarding foundations’ perspectives on this aspect of grantmaking.

Just over 68 percent of foundations surveyed reported that they fund all kinds of overhead costs, such as executive directors’ salaries, rent, office supplies, and legal and accounting fees.

The data showed that if nonprofits submitted proposals to fund certain types of overhead costs only, the areas most likely to be funded were staffing, technology, board development, mergers and collaboration, and strategic planning, says Heidi Frederick, assistant director of research for the Center on Philanthropy. Less likely to receive stand-alone funding were legal and accounting fees, marketing, deficits, and fundraising costs.

“Foundations were also less likely to fund rent and utilities alone, so it wouldn’t work well to write a proposal just for rent, for example,” Frederick says.

Most foundations said they encourage nonprofits to include overhead as part of their broader overall proposals. Frederick says 48 percent of foundations agreed that funding administrative costs builds the capacity of nonprofit organizations and helps them to meet their constituencies’ needs. Only two percent felt administrative costs were higher than they should be.

According to the study, foundations granting less than $300,000 a year and those that were between 10 and 55 years old were less likely to fund all types of administrative costs and fundraising costs, while foundations that make grants nationwide were less likely to fund overhead than local foundations.

“That suggests that local funders may feel that covering overhead and fundraising costs is good for the community—and good for the organization in terms of survival,” says Patrick M. Rooney, director of research at the Center and the study’s principal investigator.

Foundations that fund human services organizations are more likely to fund all types of administrative and fundraising costs than foundations that fund public–society benefit organizations that serve a combination of purposes, such as United Ways or United Jewish Communities.

In addition, says Rooney, foundations in the West were more likely to cover all costs than those in the North. “This is probably because foundations in the West tend to be younger in age, so they may have a different mindset and more flexibility,” he says.

The first phase of the study looked at foundations’ practices related to funding of administrative and fundraising costs, and subsequent phases will offer additional practical information for nonprofits.

The second phase will analyze educational and social service nonprofits’ receipt and perceptions of overhead cost funding from foundations. Part three will consider case studies of educational and social service organizations across the United States, and will examine the relationship between foundations’ overhead cost funding and nonprofits’ delivery of services to their constituents.

Rooney says these findings could potentially change the way nonprofits do business. “If I worked for a nonprofit and saw this report, I would be much more intentional about including fundraising and administrative costs in my proposals to foundations.”

**WHAT’S COVERED?**

- Foundations between 10 and 55 years of age are less likely to fund all types of administrative and fundraising costs compared with foundations that are less than 10 years old.
- Foundations that give more than $6.5 million a year are more likely to fund all types of administrative and fundraising costs as opposed to just some types of overhead costs.
- Community foundations are less likely than independent foundations to fund all or at least some types of administrative or fundraising costs.
- Foundations located in the West, as opposed to the North, are more likely to fund some administrative or fundraising costs as opposed to all types of costs.

**MORE INFO**

Download the initial findings report at www.philanthropy.iupui.edu/Research/. Contact Heidi Frederick at hkbaker@iupui.edu or 317-278-8963.
Co-hosted by the Women’s Philanthropy Institute at the Center on Philanthropy at Indiana University and the Council for Advancement and Support of Education.

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Patricia (Trish) P. Jackson
Vice President for Advancement
Smith College

TOPICS INCLUDE
- Creating an institutional culture for women’s philanthropy
- Earned vs. inherited wealth
- The secret to reaching women
- Giving circles: An annual giving approach

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