

Research on the Independent Sector: A Progress Report

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Philanthropy: Voluntary Action for the Public Good

Dr. Virginia A. Hodgkinson, Vice President for Research of Independent Sector, has become the best-known person in her field. Although it is under her direction and with her personal effort that Independent Sector publishes important reports on the condition of philanthropy, it is through Virginia's *Work in Progress* that she finds herself at the center of a rapidly expanding network of research. The following essay gives a clear indication of the encouraging array of scholarship and empirical work under way in this field.

The year 1987 marked the Independent Sector's fifth Spring Research Forum. The first forum "Since the Filer Commission" was held in the spring of 1983 to assess the condition of research since the Commission on Private Philanthropy and Public Needs had completed its work in 1975 and published its *Research Papers* in 1977. This forum also launched the research program of the Independent Sector (IS). The goal of this research program was and is to stimulate the development of an identifiable and growing research effort that produces the body of knowledge necessary to accurately define, describe, chart, and understand the sector and the ways it can be of greatest service to society.

The purpose of this progress report is to provide a broad review of research activity on philanthropy and the independent sector, the support for such research, and the achievement of progress toward the broad goals of the IS research program. It is not designed to provide a critique of the scholarly work completed or in progress, but rather to point out where significant scholarly activity is occurring, some commitment made by academic institutions or major research organizations to research and academic programs on nonprofit organizations and philanthropy, and to

note where major gaps still exist. Because one of the major functions of the Independent Sector research program is to encourage and document ongoing research, this review is organized according to the plan approved by the IS Research Committee to accomplish that function. As such, this essay looks at the sector as a whole, and more particularly at the efficacy of the IS research program to achieve its goals to encourage, support, and document a growing research effort.

The IS Research Program is guided by a Research Committee under the chairmanship of Robert Payton, former President of the Exxon Education Foundation and, more recently, a Scholar in Residence at the University of Virginia. Under his leadership, this committee developed a series of strategies designed to stimulate research and to increase the support of research on this sector. These strategies include:

1. Establishing a research community through the annual research forums and publication of the *Working Papers* from the forums and *Research-in-Progress* to document work in progress
2. Stimulating the development of bibliographies and searches through former literature
3. Encouraging the development of the bookshelf on philanthropy, voluntary action, and nonprofit activity by encouraging and documenting the publication of works relating to this sector
4. Building the resource base on the independent sector in order to stimulate social science research
5. Identifying major research gaps, and encouraging research to fill those gaps

6. Encouraging the establishment of endowed chairs and academic centers to maintain intergenerational support for both teaching and research on the sector across the humanistic disciplines, the social sciences, and in professional schools of public administration, business management, and law

7. Increasing support for research and teaching on the independent sector

Establishing a Research Community

Because the Independent Sector represents over 600 national voluntary organizations, foundations, and corporate responsibility programs, it essentially works through the voluntary service and commitment of its members to achieve its program goals. The research program not only needed to seek the support of IS members, but also the interest of the academic community at colleges and universities across the United States and abroad.

An important element of developing a body of knowledge in any area is to provide opportunities for scholars to meet with persons of similar interests and to have a regular process of publishing new research, usually through journals and books. Such a situation is more difficult in an area where most of the research is multidisciplinary in character, and very few scholars are scattered across several disciplines, each with its own scholarly professional association and journals. In order to address a major gap in the ability scholars to know and to communicate with each other, the annual research forums were established. Since 1984, the forums have been co-sponsored by the United Way Institute.

These annual forums have been very well received by the scholarly community as well as the leaders from nation voluntary organizations and

donor organizations. They provide scholars with an opportunity to present their research and representatives of voluntary and donor organizations to learn about current research. Furthermore, they provide an opportunity for all three groups to discuss future research needs, to ask new questions, and to refine older questions.

Each year the quality of research, and the number and variety of new researchers in the field who are invited to present papers, have measurably improved. Since 1982, over 150 scholars have been invited to present papers at these Spring Research Forums, but where the early sessions primarily focused on the research that needed to be done, since 1985, a substantial part of the programs of these forums have been devoted to reporting findings from current research. The limited publication of *Working Papers* containing the paper for discussion at each of the forums have been purchased by researchers, libraries, and other voluntary and donor organizations for further use. Many of the papers included in the annual *Working Papers* are published later as articles in journals or as chapters in books.

Another strategy that is used to build a research community is the annual publication of *Research-in-Progress*. This volume includes an annual compilation of current research on philanthropy, voluntary action, and not-for-profit activity. Its purpose is to identify researchers and describe current research on issues of concern to the independent sector. Our goal in publishing this series is to provide an avenue for sharing information among researchers in the sector. These researchers may have common interests, but currently there are very few scholarly publications and little opportunity through professional associations to meet one another. *Research-in-Progress* covers research across a great range of disciplinary and interdisciplinary endeavor, from theoretical research on the role and functions of the nonprofit organizations to analyses of the motivations of

giving, to special industry studies on particular sub-sectors of the independent sector, such as hospitals and schools. As such, it provides researchers, students, and practitioners with a convenient compendium of work underway, as well as recently published articles, papers, and books.

Since the first edition of *Research-in-Progress* was published in 1983, over 1,800 research projects have been summarized: 282 in the 1982-1983 edition, 403 in the 1983-1984 edition, 511 in the 1984-1985 edition, and 441 projects in the 1985-1986 edition. Although multi-year projects are re-listed each year with a progress report, over 60% of the projects listed in each addition are new projects, for a total of about 1,100 new research projects over this period. As such, the volume stands as a record of research activity on the sector for any particular year.

Research-in-Progress has rapidly become a basic reference in the field for researchers, voluntary organizations, and donor organizations. Originally, donor organizations were concerned about funding duplicative research efforts. Researchers, on the other hand, had to start from scratch with each study because they had difficulty in knowing or in accessing research currently underway. This document has provided a handy starting point for researchers and practitioners alike. It has led to several collaborative efforts in research; and it has provided a reference point for determining the amount of or the lack of research on a topic in various areas.

Opportunities for more scholarly meetings also have increased. The Program on Non-Profit Organizations has offered weekly seminars on current issues that many researchers have attended. Other academic centers also are providing seminar series and planning conferences, such as the Institute for Nonprofit Management at the University of San Francisco and the Center for Philanthropy at the Graduate Center at the City University

of New York. As these and other new centers develop their programs, they will provide more opportunities for scholars to meet together.

In 1985, the Association of Voluntary Action Scholars expanded its mission to include membership of scholars broadly interested in research in volunteering, citizen participation, philanthropy, and nonprofit organizations. The expanded mission will provide scholars in the field with access to a professional association that holds a yearly conference. This association also has expanded the purpose of its journal, edited by Jon Van Til of Rutgers University, to include scholarly papers on the wider topics of philanthropy and nonprofit organizations. The title of the journal has been changed to *Nonprofit and Voluntary Sector Quarterly* to reflect this wider interest and to provide researchers in the field with more opportunity to publish articles within their scholarly interest.

The Development of Bibliographies

One of the major obstacles to encouraging research on the independent sector is building a basic body of literature. The problems stem from the lack of key words to identify subjects dealing with philanthropy or nonprofit organizations in traditional bibliographical systems, such as the Library of Congress system or *Dissertation Abstracts*. To this end, finding the literature and identifying the key words under which such literature is classified across a variety of disciplines is an important activity in establishing the body of knowledge that already exists. Supporting and evaluating this literature in annotated bibliographies by topic and/or by particular discipline or area of study is another important activity, for research has shown that readily available bibliographies are valuable tools to stimulate research. Several bibliographies are in progress or have been published in the past five years.

<http://www.paytonpapers.org>

Brian and Ann O'Connell produced an excellent bibliography as part of *America's Voluntary Spirit* (The Foundation Center, 1983). This bibliography lists publications on philanthropy, voluntary action, and nonprofit activity for the past 300 years.

Robert Bremner, author of *American Philanthropy* (1960) and member of the IS Research Committee, updates annually a key word system for identifying work on the nonprofit sector from the Union Catalog of Manuscripts. Copies of his work are available through Independent Sector.

Steven Wheatley of the American Council of Learned Societies is updating a bibliography on the history of philanthropy. This bibliography was originally commissioned as part of the Princeton Conference on the History of Philanthropy held in 1956. Part of the 1986 Spring Research Forum was devoted to celebrating that conference and its impact on the history of philanthropy, and IS is partially supporting the completion of this bibliography.

The Program on Non-Profit Organizations (PONPO) at Yale University also has supported bibliographical research. As part of its *Working Papers* series, it has produced bibliographies of research on management of nonprofit organizations; a bibliography on motivations for giving, primarily in the area of psychological research; and a bibliography of current research on philanthropy and the nonprofit sector abroad. Independent Sector has agreed to update this international bibliography as part of its *Research-in-Progress* series.

More recently, the Association of American Colleges has been supported by the American Association of Fund-Raising Counsel Trust for Philanthropy and other foundations to prepare a bibliography on philanthropy particularly for use by faculty and students interested in teaching and studying philanthropy at the undergraduate level.

Philanthropy and Voluntarism: An Annotated Bibliography was published in June 1987 by the Foundation Center.

There are two bibliographical projects in progress at Independent Sector. The first is an annotated bibliography on the motivations for giving and volunteering, which is multidisciplinary in nature. The first purpose of this bibliography is to evaluate whether there are some generalizations that can be made about motivations for giving and volunteering. The second purpose is to determine what gaps exist in our knowledge about motivations, what areas of research hold the greatest promise for filling in those gaps, and what the priority projects are that ought to be part of a research agenda on motivations. Independent Sector has taken responsibility for running and coordinating this particular project because of its enormous importance, generally in providing ways in which giving and volunteering can be measurably increased in America. Some of the generalizations that emerge from a review of this research on motivations can be further tested in a series of national studies on giving and volunteering that IS is sponsoring over the next five years.

The second bibliographical study concerns the study and relationships of religious institutions to philanthropy. In an effort to stimulate research on a variety of issues relating to religion and philanthropy, IS staff members are compiling an initial bibliography on this topic. Other scholars who are working on the development of research agendas in this area are David Watt at Temple University, Ann Fraker at Indiana University, Robert Wuthnow at the Woodrow Wilson School at Princeton University, and David Hutchinson at Harvard University. These collaborative efforts should result in a published bibliography and an agenda for research developed by scholars in the field to stimulate interest in such research.

Although the Yale Program, in its series of books ranging from the *Handbook on Nonprofit Organizations* to international studies, is making an enormous contribution to the field by paying attention to both bibliographies and scholar evaluation of former and current research across a variety of topics and fields, several other bibliographical projects need to be encouraged. Through both PONPO's work and the work of new academic centers currently being started, such attention to bibliographies should provide scholars with reference points across a variety of topics relating to philanthropy, thus stimulating further inquiries more quickly. Until recently, scholars working on nonprofit sector research were forced to reinvent the wheel because bibliographical resources were not readily available. Furthermore, as such scholarship grows, researchers should be able to bring about improvement in the key words used in the major bibliographical search systems to allow scholars to access scholar work on philanthropy and the nonprofit sector more easily.

The Foundation Center is currently conducting a feasibility study to determine whether there is enough need to design a bibliographical system on publications about the independent sector. Should this project prove viable, it may be possible to build a key word system building upon bibliographical work currently completed or in progress that would be enormously useful to both scholars and practitioners interested in this field.

Developing a Growing Bookshelf on Philanthropy, Voluntary Action, and Nonprofit Activity

Several years ago, John Gardner, who chaired the Organizing Committee of IS, mentioned that studies of government and business filled enormous space on the shelves of most libraries, but studies of the independent sector barely filled one shelf. It is not enough to stimulate an interest in research on the independent sector; one must also encourage the publication of that

research into books which take on a life of their own. Brian O'Connell remarked that when he was building the bibliography for *The Board Member's Book*, very few of the good books were still in print, and that most of the information on boards in the independent sector were written in what librarians call "ephemeral" literature. One of the major goals of Independent Sector's Research Program is to document the development of a basic body of knowledge on this sector. There is no more permanent, nor durable, form than published books on library shelves for use by other scholars and new generations of students.

Therefore, it has been a major concern at IS not only to provide publications that synthesize knowledge already available in a more permanent form, but to stimulate and encourage other scholars and organizations to become more concerned not only with the publication of current research, but also with the reprinting of former classics that are out of print and not readily available. During the past five years, increasing attention has been paid to the publication of books by IS, Yale's PONPO, and the Foundation Center. And the publication of books by researchers is an indication of the growing interest in the field.

Both the writing and the publication of books is a lengthy and expensive process. This is particularly true if the books address issues encompassing the whole independent sector and what this sector means and does. It is even more true in an area that has a long history, an enormous diversity of functions, but very little recent research. But good books on the sector cannot be written without good research. And good research, particularly in a neglected area of study, takes time. Several books are just being written as a result of research projects described in the 1982-1983 volume of *Research-in-Progress*. Of course, there have been numerous journal articles and several hundred *Working Papers* over this period. After nine years, seven edited volumes on various aspects of the nonprofit sector are

just coming off the press as a result the research supported by Yale's PONPO, although the work of individual scholars associated with the Yale Program has resulted in over 30 books published or under contract for publication. In 1997, as interest in research on this sector continues to grow, there ought to be several good books annually published addressing important issues that will improve our understanding of the role, functions, and contributions of the independent sector to American society and other cultures.

There also has been a concern with reprinting the classic literature of the sector that has been long out of print. The University of Chicago Press reprinted Robert Bremner's classic history *American Philanthropy* (1960) in 1985, and published a revised and updated edition in 1987. The purpose of Brian O'Connell's *American Voluntary Spirit* (1983) was to produce a collection of classic pieces written about philanthropy and voluntary action spanning 300 years. More recently, Richard Magat, President of the Hazen Foundation agreed to become the new series editor for Transaction Books series Society and Philanthropy. The purpose of this series is to reprint classics on philanthropy in the social sciences. The first book in the series, *Wealth and Culture* by Eduard C. Lindeman (1935), was just published with a new introduction by Richard Magat. More projects to reprint such classics ought to be encouraged, because some of the most important research on the voluntary sector was published before 1940.

Building the Resource Base on the Independent Sector

A major stumbling block to stimulating social science research on the independent sector has been the lack of regular data collection on institutions, their programs, functions, and finances; on employment and occupations in these institutions; and on giving, volunteering, and the motivations for individuals who give and volunteer. As *The Nonprofit*

Handbook, edited by Walter Powell of Yale University, clearly shows, many talented social scientists have developed definitions and theories about the role and functions of the sector, but there are few large-scale empirical studies to test these theories. In fact, an even more formidable stumbling block than lack of data is the lack of a common language with which to describe, chart, and understand this sector of American society. In order to address the enormity of these issues, several strategies were developed to provide social scientists with a better resource base and to provide them with access to statistical studies as they became available. Three major strategies were developed to address these issues: (1) the reviewing of what information was available and identifying major information gaps; (2) the development of the National Center for Charitable Statistics to improve the collection and reporting of data from federal, state, and private sources; and (3) the sponsoring or encouraging of surveys in areas where information was not collected. The decision of the Research Committee was that the development of basic resources needed more direct effort and a clear agenda.

A REVIEW OF CURRENT INFORMATION: SETTING THE AGENDA

Dimensions of the Independent Sector: A Statistical Profile is a biennial publication (first published by Independent Sector in 1984) that synthesizes completed statistical research on the sector. It provides a framework to measure the size, scope, and dimensions of this sector from various data collections and national surveys. As such, it serves as a useful reference book that summarizes what we know, as well outlining the gaps in our knowledge about the sector. The publication in its current form became possible because baseline research on employment and earnings done by Gabriel Rudney and Murray Weitzman for PONPO at Yale University (1983). That research allowed for the development of a framework for measuring the size of the nonprofit sector as part of the American

economy. Many of the information gaps noted in the first edition of *Dimensions* are now being addressed, including: (1) more information on giving and volunteering by individuals; (2) a survey of religious institutions; (3) the creation of a national sample to chart the finances of nonprofit institutions and foundations; (4) the development of a national classification system; and (5) a change on the 1990 Census to allow people to report whether they are employed at a nonprofit organization. The 1986 edition of *Dimensions* charted this current progress and reported on the new studies that occurred between 1982 and 1985.

THE NATIONAL CENTER FOR CHARITABLE STATISTICS

The National Center for Charitable Statistics (NCCS), started as a special program of the National Charities Information Bureau in 1980. It was incorporated in 1982 as 501(c)(3) organization under the sponsorship of the Council on Foundations, Independent Sector, the National Charities Information Bureau, and the United Way of America. In 1983 the management of NCCS was moved to Independent Sector and in 1986, at the request of the NCCS Board and with the approval of the IS Board, NCCS became a program of Independent Sector.

The NCCS program is a unique commitment to track the scope of the charitable sector in the country through a continuing effort to improve and expand the reporting of statistics on charitable organizations by both federal and state governments and to make these statistics publicly available. It also stimulates the collection of statistics on giving and volunteering through private research efforts. It serves as a national repository of those statistics. It provides access to these statistics through the sale of computer tapes, the provision of computer runs, and occasional publications.

The core activities of NCCS are: (1) improving the collection of statistics by the federal government on charitable organizations; (2) assisting and encouraging states to computerize the data on the 990 forms; (3) developing and implementing a national classification system on the nonprofit sector; (4) serving as a national repository, both historical and current, of statistics on computer tapes relating to charitable organizations; and (5) publishing periodic reports on statistics of the sector.

Improving the Reporting of Statistics by the Federal Government. In 1980, NCCS secured the agreement from the states and the federal government to use a single 990 form. Not only was this accomplishment important for charitable organizations to reduce the cost and effort of separate reports, but it gave us a base for a national database on the nonprofit sector. The NCCS now is working with states to agree on a single state supplementary form for the 990's.

In 1983, NCCS also commenced its work with both the U.S. Department of Treasury, the Internal Revenue Service, and the U.S. Bureau of the Census to improve its reporting on nonprofit organizations. NCCS also tried to convince IRS to code more than the name, address, and total revenues and assets on the 990 master file. While carrying out these activities, NCCS started to check more thoroughly about how accurately even those two numbers were coded on the master file. In 1985, NCCS noticed that the 1983-1984 IRS master file of 990 forms for 501 (c)(3) and 501 (c)(4) organizations had massive errors. We asked the IRS to investigate. The IRS appointed a task force from the Statistics of Income (SOI) Division to investigate the problems. The SOI team found that the data recorded on the 990 tapes had massive error problems due to the coding errors in the IRS regional centers. At the request of NCCS, the IRS agreed to develop a system to eliminate these coding errors which they estimate will take two to three years. In the meantime, at the request of

NCCS they have removed the master file tapes from public use. This is the only universal database on charitable organizations that file tax returns, but we are providing public support for this effort to assure more accurate reporting by the federal government in 1988 and beyond. The task to persuade them to increase the items it codes from those forms will still be with us, but we hope to generate more public support in the interim for these efforts.

During this period, the SOI Division launched a program to collect annual samples of private foundations and tax-exempt organizations. The last time such a national sample was collected was in 1975, which directly resulted from the efforts of the Filer Commission. In the fall of 1985, SOI started the collection of these samples from the 1982-1983 year. For the first time, it looked like the charitable sector was to have a longitudinal database.

However, in the spring of 1985, the SOI received a 25% budget cut for Fiscal Year 1986. Because these samples were not mandated by federal legislation, future collections would be cut. Fritz Scheuren, Director of SOI, asked NCCS to go into partnership to save these samples. NCCS called a meeting of executives from government agencies, foundations, and corporations to discuss this issue. It meant raising \$125,000 a year for two or possibly three years to provide the 25% cut needed to save these samples. By December 1985, NCCS raised \$250,000 to save the samples for 1986 and 1987.

By going into a contractual relationship with the SOI, NCCS will be able to implement its national classification system on these samples. It has been able to save the only longitudinal database on financial statistics of foundation and charitable organizations because the Statistics of Income Division currently plans to conduct enlarged samples of all nonprofit organizations annually starting in 1989.

The Development of a National Classification System for the Nonprofit Sector. One of the stumbling blocks to stimulating social science research even if sufficient government information were available was the lack of a way to classify non-profit, tax-exempt organizations by purpose. Nor was there a common language to accurately define and describe the voluntary sector in the United States.

In 1982, the National Center for Charitable Statistics realized that the development of such a system was a first priority in order to improve research and data collection on this sector. It appointed a National Classification Task Force chaired by Elizabeth Boris, vice president for research at the Council on Foundations, to design a plan to develop such a system for the nonprofit sector. After several meetings, the Task Force recommended that Russy D. Sumariwalla, Senior Fellow of the United Way Institute, direct the project. In 1987, after extensive pilot testing in several hundred national nonprofit organizations, the National Taxonomy of Exempt Entities was released.

Soon after its release, NCCS, in collaboration with the IRS, developed a plan for its implementation by 1990. NCCS will classify 900,000 nonprofit organizations on the IRS Master File of Exempt Entities, and the IRS will classify new organizations and revise its systems to accommodate the new system by 1990. When the classification system has been implemented, social scientists studying the nonprofit sector will begin to have the kinds of analytical tools that have been available to them for the stalemated study of business and government since the 1930s, when the Standard Industrial Code was created.

The States Computerization Project. NCCS launched its states computerization project in 1981 in an effort to record more data from the

990 forms. Bill Levis of the National Charities Information Bureau staffed this effort until 1985. Currently, Frank Swenson, former head of the Charities Registration Office in New Jersey, directs this effort. The states computerization included development of a software package for use by states, technical assistance to the states during the computerization, and, in some states, assistance with raising funds for hardware among local donor organizations.

By the end of 1986, five states were fully computerized: New York, California, Minnesota, New Jersey, and Connecticut. Partial computerization of the 990 forms have been completed in Nevada, Illinois, Indiana, Maryland, New Hampshire, and Connecticut. Partial or full computerization is in progress in Virginia, Massachusetts, and Pennsylvania. We are currently working with North Carolina, Texas, and Wisconsin to start state computerization efforts there.

NCCS is unique in its effort to serve as a national repository for statistics on the nonprofit sector. These statistics come from both public and private sources. NCCS collects both federal and states tapes on the 990 forms. It also encourages funders to donate the tapes of major private surveys to the Center. Currently, the tapes of the first SOI sample of private foundations and tax-exempt organizations are housed at NCCS. The Rockefeller Brothers Fund donated the tape from the Yankelovich, Skelly and White national survey of the Charitable Behavior of Americans to NCCS, and the Americans Volunteer 1985 conducted by the Gallup Organization and commissioned by the IS research program will be available through NCCS. The Urban Institute will also donate the tapes of its survey from the Nonprofit Sector Project after the research has been completed and the findings disseminated.

Efforts are being made to get copies of major earlier studies to complete the library. The purpose of the repository is to provide a single tape library to house these studies. In the past, master 990 files were destroyed after a year and are no longer available to the public. Former research files from the Filer Commission still are in the hands of individual researchers and NCCS is trying to get copies of these older tapes.

Without such a repository to serve the sector, it is extremely difficult and costly for social scientists to consider conducting research on this sector. Therefore, as the years pass, NCCS will serve as a national computer library for the nonprofit sector.

To Provide Data Services to Organizations. One of NCCS's major functions in the years ahead will be to provide computer tabulations for a variety of purposes to organizations and researchers. Until this year, NCCS has been limited to providing mailing labels and occasional samples for researchers. However, once the classification system is in place, and with the new tapes from the SOI studies, and the giving and volunteering surveys, NCCS will have a rich repository of information for researchers.

To Publish Periodic Reports of Statistics on the Sector. In 1985, NCCS published *Non-Profit Service Organizations: 1982*, discussed earlier. In 1987, NCCS published a series of state directories on the finances of nonprofit organizations in New York, New Jersey, Minnesota, California, and Connecticut.

NCCS believes in the critical importance of the development of an information system for the whole nonprofit sector. Its striving to secure more and better information on the charitable represents a major endeavor to build a national repository to provide statistics on the sector. If all the

990 forms in the states with reporting requirements and the federal government are computerized using the NCCS classification system, the sector and the public in general will finally have a common language with which to define, chart, describe, and understand this neglected sector of American society. These data can be used for social science research, reports on financial trends of various organizations, public information, public policy research, and the development of financial indicators for use by managers of nonprofit organizations. The NCCS Program Plan constitutes a major effort toward meeting those information needs and filling the statistical void on charitable organizations.

STIMULATING THE COLLECTION OF DATA NOT OTHERWISE COLLECTED

Another strategy to improve the resource base on the independent sector is to sponsor, support, or encourage the collection of data that are not collected by the government. This includes both studies sponsored by Independent Sector, and providing encouragement and support to a variety of organizations to engage in the regular collection of information on various aspects of the nonprofit sector. Independent Sector is sponsoring regular national surveys on giving and volunteering, a national survey on the activities and finances of religious institutions, and is assisting and encouraging cities and states to conduct local and regional surveys of giving and volunteering behavior. Independent Sector also has supported and encouraged the continuing research tax policy and its impact on giving by Lawrence Lindsey the National Bureau of Economic Research and Charles Clotfelter of Duke University.

Another ongoing study that is improving our understanding of the diversity and complexity of this sector and building the resource base for other scholars is the Nonprofit Sector Project at The Urban Institute. The

Nonprofit Sector Project, directed by Lester Salamon, is the only major national search project on nonprofit human services organizations (at 16 sites around the country) that has been conducted. As a result of this research, new definitions of the sector (particularly in social services) are emerging, information on scope and activities of nonprofit organizations and their sources of support are becoming available, and a profile of the complex interrelationships or partnerships that nonprofit sectors engage in with both the public and private sectors is being revealed. This project is the only study that charts changes in programs, financing, employment, and volunteer service in this sector. As such, it has provided new information that will be useful in improving the collection of data on nonprofit organizations at the federal level, on charting new trends programs, and in determining the vitality of nonprofit organizations over time. In the future, information from the surveys should provide social scientists with an enormous valuable set of empirical data for testing various concepts developed to explain the role and functions of this sector in the economy and in the political structures of the society.

Other regional studies are also providing insights into the structure, impact, and functions of philanthropic institutions and nonprofit organizations in relation to communities. Of particular note is the continuing work of Julian Wolpert (Woodrow Wilson School, Princeton University); Thomas A. Reiner (University of Pennsylvania); and Joseph Galaskiewicz (University of Minnesota). These studies provide a more in-depth analysis of the impact of philanthropy on particular communities. There is a need for more sociological studies of communities and regions, particularly cross-sectional studies that examine the interrelationships of government, business and the nonprofit sector.

Two other major studies will provide valuable information about foundations and the philanthropic behavior of the wealthy. A study

co-sponsored by the Council on Foundations and the Program on Non-Profit Organizations at Yale University examines the formation of foundations during this century. Part of this massive study involved a survey of wealthy individuals, accountants, and legal advisors to the wealthy, and an analysis of recent bequests to determine the philanthropic behavior of the wealthy and their attitudes and perceptions about starting their own foundations. *America's Wealthy and the Future of Foundations*, edited by Teresa J. Odendahl (The Foundation Center, 1987) provides detailed analyses of these studies.

Another study conducted by Paul Schervish at Boston College also involved a national survey of wealthy individuals to probe how they use their wealth and what their motivations are to engage in philanthropic activities. These two studies, along with the Yankelovich, Skelly and White survey on charitable behavior of Americans (1984) commissioned by the Rockefeller Brothers Fund and the Gallup survey of Americans Volunteer (1985) commissioned by Independent Sector, provide baseline information to encourage researchers to look seriously at issues of the values, attitudes, and motivations of Americans in their giving and volunteering behavior, and as such provide a rich resource base to stimulate further research.

Corporate giving grew faster than other types of giving during the 1970s, and by the 1980s, annual corporate giving equaled foundation giving. Other than an annual survey of corporate giving (*Annual Survey of Corporate Contributions*) conducted by the Conference Board and The Council for Aid to Education, which focuses on the top 1,000 corporations, good information on the universe of U.S. corporations and their giving was not available until Hayden Smith analyzed corporate giving using special runs from the IRS corporate tax files. *A Profile of Corporate Contributions*

(1982) gave detailed figures on corporate giving for 1977. An update covering corporate giving in 1983 is forthcoming.

Corporations give more than cash and equipment. They help nonprofit organizations in many ways ranging from providing loaned executives to encouraging their employees to volunteer in their communities. However, little is known about the scope of these activities. To address the issue of non-cash corporate giving, Alex Plinio, president of the Prudential Foundation and a member of the IS Research Committee, interviewed corporations over a period of years, and wrote, with Joanne Scanlan, *Resource Raising: The Role of Non-Cash Assistance in Corporate Philanthropy*, in which he catalogued such corporate activity and estimated its values.

The last study of the scope and extent of employee volunteering in corporations was *Volunteers in the Workplace* (1979), the first comprehensive study of the nature and scope of the efforts of corporations and organized labor to involve workers as volunteers in their communities. The study, conducted by Volunteer, the National Organization that provides technical assistance and information services to the volunteer community, was urged to repeat this historic study on a regular basis. In 1986, it published an update, including a new national survey of volunteers from the workplace, in *A New Competitive Edge: Volunteers From the Workplace*. All of these studies are starting to provide a more complete picture of corporate participation and giving in the community.

The United Way of America also is conducting and producing research on the social service agencies in America that receive little attention in government information collections. Over the past five years, the United Way Research Division has developed a sophisticated community

information gathering and sharing network that is useful to assess community needs.

The purpose of supporting the development of data collection on this sector is to produce more resources for social science research, for public policy deliberations, and for the dissemination of information to the public. Because data collection systems need careful thought, more investment, and demand long-term investment, there is a need for organizations (such as The Foundation Center, the National Center for Charitable Statistics, and the National Bureau of Economic Research) and research institutions (such as The Urban Institute and The Brookings Institution) to devote substantial efforts and time in the planning, examination, coordination, and review of a system of information regularly collected that will provide a meaningful and accurate description of this sector and its relationship to the American society and economy.

Identifying Major Research Gaps

As many researchers who have started to investigate various aspects of this sector know, finding gaps in our knowledge is easy. What is more challenging is to design a series of questions that will start to fill the voids. And, even more challenging is that the attempt to answer one question suggests a thousand more. The Program on Non-Profit Organizations at Yale University started with the challenges ten years ago. *The Nonprofit Sector: A Research Handbook* (1987), edited by Walter Powell, provides cogent analyses of what researchers primarily working in the Yale program learned over the past decade, as well as the enormous gaps in knowledge that remain. This research handbook provides a road map for future exploration in many of the social sciences.

The IS Research Committee tried not only to focus on research gaps, but to develop a series of strategies to encourage research in major areas where there seemed to be little interest in scholarly investigations. As described earlier, the long-term collection of data and information was one major area. In 1983, other than research in economics, and the law relating to nonprofits, scholars reported at the first Research Forum that there was very little sustained research activity in history, philosophy, psychology, anthropology, the humanities, or religious studies. One could not find a course on philanthropy, or even a part of a course on philanthropy, in the catalogs of major institutions of higher education. Furthermore, along with the neglect in the teaching of philanthropy, educational institutions were no longer emphasizing voluntary service as part of an education for responsible citizenship. Members of the Research Committee developed several strategies to encourage research in a variety of areas.

One of the major weaknesses in our knowledge about this sector was a lack of histories. *American Philanthropy*, by Robert Bremner, (University of Chicago Press, 1960) still was the only general history available. Peter Dobkin Hall at Yale University published *The Origins of American Culture* (New York University Press, 1982); Kathleen McCarthy published *Noblesse Oblige* (University of Chicago Press, 1982); Stanley Katz and Barry Karl have been working on a history of foundations and their impact on American public policy in the 20th century. Merle Curti's book *Philanthropy in the Shaping of American Higher Education* on higher education and philanthropy abroad, published over two decades ago (Rutgers University Press, 1965), had not been updated. No one had written a history about American religious institutions and their contribution to the development of the nonprofit sector. Although McCarthy's *Noblesse Oblige* did address American public values and attitudes toward philanthropy, primarily in Chicago through the beginning of the 20th century, not much attention generally had been paid to the

impact of religious values on American philanthropy. Yet most of the sector's organizations could trace their origins to religious institutions. Although Hall published a history on the relationship of the creation of nonprofit organizations to American culture up to 1900, more attention needs to be paid to the role of voluntary associations in modern American culture and to its impact on the values, attitudes, and beliefs of Americans. Without such studies as a foundation for understanding the role and evolution of this sector, both in the United States and abroad, scholars labor without a cultural memory.

To address some of these major gaps, Robert Payton, Chairperson of the Research Committee, spent two years lecturing to faculties at colleges and universities about the need to address these issues. He also wrote *Major Challenges to Philanthropy* (Independent Sector, 1984), which has become a classic discussion paper to encourage the study of the philanthropic tradition. He also encouraged, inspired, cajoled, and sought support for conferences on the history of philanthropy at Columbia University and a conference for social philosophers to examine these issues. The papers from the conference convened in New York by the Social Philosophy Policy Center of Bowling Green State University were published in the May 1987 issue of *Social Philosophy and Policy*, and also will be published as a separate volume (Transaction Books, 1988).

Since 1983, working through the Research Committee members, particularly Stanley Katz, President of the American Council of Learned Societies and Robert Bremner, Professor Emeritus of History at The Ohio State University, a research forum was held focusing on the theme of history of philanthropy (1985) and a Center for the Study of Philanthropy was established at the Graduate Center of the City University of New York (1986). With Kathleen McCarthy as the Center's first director, the history of philanthropy will receive some attention. And, Peter Dobkin Hall still

remains at the Program on Non-Profit Organizations at Yale University, where he is preparing two new histories for publication, one on corporate philanthropy and one on nonprofit institutions.

Through the work of Robert Lynn, senior vice president for religion of the Lilly Endowment and a member of the IS Research Committee, a new program has been established at Independent Sector and at the Lilly Endowment to stimulate the study of religion and philanthropy. This project includes sponsoring a national survey on the activities and finances of religious institutions; preparing a bibliography on religion and philanthropy; and supporting religious scholars at Harvard, Princeton, Temple University, and the School of American Culture Studies at Indiana University to develop research agendas in this area. Through these and other activities, the Research Committee is actively working to stimulate more scholarly interest in this area.

After learning that several studies showed declines in altruism and voluntary service among college students, Howard R. Swearer of Brown University convened a coalition of college presidents to found "Campus Compact: The Project for Public and Community Service" in 1986. The purpose of Campus Compact is to reemphasize the value of public service as part of undergraduate education. Campus Compact, staffed by Frank Newmann, President of the Education Commission of the States, has over 100 participating colleges and universities as members. Each of the participating members: (1) agrees to a campus self-study program of public service activities available to students and (2) commits their college or university to increasing students' public service opportunities both for credit and as part of campus activities. This college compact has been enormously influential in just a short time to increase volunteering among college students.

In 1986, the Association of American Colleges, supported by the American Association of Fund-Raising Counsel Trust, an IS member organization, instituted an award program for faculty who were willing to design courses on philanthropy. The awards were open to all disciplines in the arts and sciences. Both the faculty members and the institution had to make a three-year commitment to teach the course. Nine winners were selected in the first round, and new awards will be made for two more years.

Some attention has been paid by political scientists to the role and functions of the nonprofit sector in American life. Lester Salamon has started to examine political theory in relation to his research on the nonprofit sector project, and Jennifer Wolch of the University of Southern California is conducting research on the distribution of resources to the nonprofit sector in the context of political decision-making. James Douglas' *Why Charity?* (Sage Publications, 1983) provided insightful analysis of the political rationale for the nonprofit sector that resulted from initial research done at Yale University. But the larger questions about the structure of the American public and the role of voluntary organizations in conducting public business need far more attention.

David Mathews, President of the Kettering Foundation and member of the IS Research Committee, has sponsored research on the meaning of public in America, on citizen participation and problem solving, and on the political functions the nonprofit sector. The Kettering Foundation has been doing and supporting research in this area, but much more needs to be done. Another study by Robert N. Bellah, *Habits of the Heart* (University of California Press, 1985) has been extremely influential in demonstrating the movement of Americans toward individualism and away from public commitments. Helmut Anheier (Rutgers University) and Brian Smith (Massachusetts Institute of Technology) are conducting research on the role and functions of voluntarism and nonprofit activity in other political

systems. But much more remains to be done to trace the comparative role and functions of voluntary organizations and voluntary service in various political systems.

For several years, the IS Research Committee studied various models of knowledge development and dissemination, and finally selected the method the Hastings Center had used with great success for several years. (Willard Gaylin of the Hastings Center was a member of the IS Research Committee.) The Hastings Center had pulled together the best materials dealing with medical topics and ethics that could be used in a variety of courses within several disciplines. They then developed a short unit outline for each particular topic or issue, and included this in a packet along with copies of pertinent articles and a short bibliography of readily accessible materials. These packets then were made available to faculty and students (for a small fee) for inclusion in appropriate courses. Once a field was sufficiently developed—and books and texts were readily available—the packets were discontinued.

It is our intent to develop several packets over the next four years on a variety of issues and areas, such as education and philanthropy, religion and philanthropy, philosophical thought on charity, philanthropy and altruism, and so on. These packets will be developed by a variety of guest editors, drawn from various academic centers addressing the study of philanthropy and voluntarism, and a few will be done directly at the Independent Sector.

Through this effort, we hope to stimulate further research, increase the teaching of philanthropy in a variety of disciplines, and produce an increased demand for more information so that in the years ahead more books and courses will result, eventually broadening the knowledge bases in these areas of inquiry.

In trying to address major research gaps, the IS Research Committee has actively participated in encouraging scholarly attention to a variety of issues. From the very beginning, however, it was clear that attention without funding support would not result in much serious work. Therefore, both directly and indirectly, stimulation of research has also meant seeking support for such work.

Establishing Academic Centers

When the Independent Sector research program was established, the only academic program focusing on the study of nonprofit organizations was the Program on Nonprofit Organizations (PONPO) at Yale University. It was established in 1977 under the leadership of John Simon to generate an interest in independent sector research, of which, as Simon stated, our knowledge was like "the dark side of the moon." In the ten years since its establishment, PONPO has attracted over 200 scholars and graduate students to study the role, character, functions, and impact of the voluntary or nonprofit sector both in the United States and abroad. These studies have led to nearly 120 *Working Papers*, several books, and a series of volumes emanating directly from the Yale program covering several areas including economics, arts and culture, private education, research, and international comparison, among others. The Yale program was and is enormously important as an academic institution encouraging the development of theory and knowledge about this sector. As such, PONPO has made an enormous contribution to the development and stimulation of research on the independent sector over the last decade.

The IS Research Committee, on which John Simon serves, has had from its first meeting a continuing interest in supporting research on the independent sector at colleges and universities in order to establish a tradition of teaching about this sector. Support of research leads to

teaching, to new doctoral students, and to further research, thus fostering the inter-generational chain of knowledge. Therefore, in addition to supporting research, the Committee realized that more opportunities were needed for researchers to fill academic positions, receive tenure, and establish the importance of this sector as worthy of intellectual attention at academic institutions.

Two major strategies were developed to increase interest in the study of the independent sector at academic institutions: (1) encouraging the establishment of endowed chairs to secure long-term faculty positions; and (2) establishing academic centers for the study of philanthropy. Most of the following academic centers and endowed chairs with a commitment to research that have been established over the past five years have IS support. In many cases, the involvement of IS through its Research Committee and the Effective Sector Leadership and Management Committee has been active in the launching of these centers.

- The Center for Nonprofit Management at Case Western Reserve University with an endowed chair
- An endowed chair for the study of "public" at the Hubert Humphrey Institute of Public Affairs, University of Minnesota
- A Center for Philanthropy and Voluntarism with an endowed chair at Duke University
- The Center for the Study of Philanthropy at the Graduate Center of the City University of New York
- The Institute for Community Leadership and Nonprofit Management at Virginia Technical Institute and State University
- Program on Nonprofit Management at the State University of New York-Stony Brook
- Center for Public Service at Tufts University

- The doctoral program in Nonprofit Management at the Graduate School of Public Affairs at the University of Colorado
- Institute for Nonprofit Management at the University of San Francisco
- The Institute for Public Policy and Administration, Union for Experimenting Colleges and Universities
- A master's degree with emphasis on the nonprofit sector in the Graduate Public Policy Program at Georgetown University
- The Center on Philanthropy at Indiana University
- The Center for Special Studies at Rhodes College with an endowed chair

Centers are in the planning stages at Boston College, the University of Missouri, and the University of Rochester.

Three established centers will add an emphasis on the study of philanthropy and nonprofit institutions through their newly appointed directors. Robert Payton is pursuing his studies of philanthropy at the University of Virginia; Lester Salamon has become director of the Institute for Policy Studies at Johns Hopkins University; and Carroll Estes, member of the IS Research Committee, has added a research emphasis on nonprofit organizations serving the aging at the Institute on Health and Aging at the University of California-San Francisco.

The IS Research Committee held a meeting for directors of current and emerging centers in May 1987 to provide meeting ground for center directors to share their research interests, work on research agendas, and discuss problems about curricula and courses about philanthropy. Although an enormous amount of progress has been made in the past five years, most of these centers are just starting, do not have many staff openings, and may not survive without adequate funding.

Of more than 200 scholars who were in the first edition *Research-in-Progress* (1983), 173 scholars are still conducting research on the nonprofit sector. Very few faculty hold positions within their disciplines for their specialization on nonprofit institutions. Most faculty, even our most distinguished researchers, maintain their academic reputations because of their research in other areas of inquiry. In order to sustain the progress being made, far more effort and attention has to be given to the continuing support of researchers, academic centers, and the establishment of endowed chairs. These efforts will allow talented faculty to give more sustained attention to research pertaining to the nonprofit sector and philanthropy. Therefore, this part of the IS Research Committee's effort is of central importance in building long-term commitments and support.

Increasing Funding Support for Research

Another major objective of the IS Research Program is to stimulate the funding for research on the independent sector. Several strategies have been devised by the IS Research Committee, both formal and informal, to achieve this objective.

First of all, leaders from donor organizations and corporations are members of the IS Research Committee and provide guidance and leadership to assist this strategy. Of members of the Research Committee, Robert Payton while at the Exxon Education Foundation, Robert Lynn of the Lilly Endowment, Fred Billups of The Pew Charitable Trusts, and Alex Plinio of the Prudential Foundation have moved to encourage their own foundations to provide more support to the study of philanthropy and education, philanthropy and religion, and the building of statistical studies on philanthropy. Each year, some members are rotated off the Committee and new members are added. In this way, new persons from the donor community become acquainted with the general need for research on the nonprofit

sector. So the first strategy has involved education and encouragement to donors to provide some funds within their organization's specific mission for the study of this sector.

Foundations and corporations that have entered the field of funding for research and the development of statistical resources on the nonprofit sector over the past decade are:

Aetna Life and Casualty Company

Aid Association for Lutherans

American Association of Fund Raising Counsel Trust

Atlantic Richfield Foundation

Bankers Trust of New York

The Bush Foundation

Carnegie Manhattan Bank, N.A.

Chevron U.S.A., Inc.

Commonwealth Fund

Conoco, Inc.

Dayton-Hudson Foundation

Equitable Life Assurance Society of the United States

Exxon Corporation

Exxon Education Foundation

The Ford Foundation

General Electric Foundation

General Mills Foundation

Gulf & Western Foundation

George Gund Foundation

Evelyn and Walter Haas Jr. Fund

Marian and Peter Haas Fund

IBM Corporation

Robert Wood Johnson Foundation

<http://www.paytonpapers.org>

W. K. Kellogg
Lever Brothers
Lilly Endowment, Inc.
The Mandel Foundation
Merck Company Foundation
Metropolitan Life Foundation
Mobil Oil Corporation
Stewart Mott Foundation
Northwest Area Foundation
NYNEX
The Pew Charitable Trusts
Prudential Foundation
The Piton Foundation
Rockefeller Brothers Fund
The Rockefeller Foundation
Shell Companies Foundation
Alfred P. Sloan Foundation
Spencer Foundation
Sun Company, Inc.
Texaco, Inc.
Time, Inc.
Whirlpool Corporation
Robert W. Woodruff Foundation

The second strategy has been to actively encourage some researchers to pursue their research interests. Independent Sector staff help to identify funders for these researchers, and in many cases, write letters of support to donors on their behalf.

The third strategy is to provide meeting ground opportunities for leaders of donor organizations to meet with researchers—the annual spring research

forums. This strategy has produced more interest on the part of the donors to fund various research projects of these researchers. In fact, because there is always good attendance from donor organizations at the research forums, we believe our investment in these conferences has been well worth it. Each year, I hear from several researchers that they had been more successful in getting project funding as a result of donors taking an interest in their work after attending the forum.

A fourth strategy is to respond to donor queries on proposals submitted to them. So many foundations and corporations do not have staff that are well acquainted with research on the independent sector. We publish *Research-in-Progress* to help them as well as researchers review research that is currently going on in a particular area. We do not make statements about research priorities, except in those areas where IS is directly encouraging research on a public issue or on statistical collections. However, our assistance through *Research- in-Progress* has led to funding support in some areas, where a staff person may have not pursued reviewing a proposal for lack of information.

A fifth strategy is to hold an invitational meeting for donors at each IS Annual Meeting and Assembly. At these meetings, we review the need for research and have proposed strategies for research funding. These donors' meetings have been very useful to us and to the Research Committee in considering new ways to interest donor organizations to support research on this sector.

A sixth strategy is to encourage the establishment of endowed chairs and centers for the study of philanthropy at academic institutions to support further research on this sector. Independent Sector originally proposed that Case Western Reserve set up a multidisciplinary program on management of nonprofit organizations. Brian O'Connell and Sandra Gray worked for

two years with Case Western Reserve on their Center for Non-Profit Management, including providing consulting assistance and providing assistance with donors who might fund the program. Brian O'Connell also has worked with Harlan Cleveland at the Hubert Humphrey Institute of Public Affairs to establish an endowed chair there. In fact, Kenneth Dayton provided the first challenge grant for the establishment of the chair.

After donors' meeting at the IS Meeting in 1984, John Day, executive director of the Duke Endowment, wondered how the Endowment could contribute to the support of research on this sector out of its mission. The result was a plan to establish a Center for the Study of Philanthropy at Duke University which would include an endowed chair. The current program plan includes research on the nonprofit sector, conferences and retreat sessions for leaders in the sector, and a commitment to continue its research on tax policy and charitable giving under the leadership of Professor Charles Clotfelter. The Duke Endowment provided a challenge grant to start the funding, and our most recent report is that Duke University is one third of the way toward their funding goal for the Center. These efforts also have led to donations by individuals.

Another result of the annual meetings was that Russell Mawby, president of the Kellogg Foundation, invited Brian O'Connell, Sandra Gray, and Virginia Hodgkinson to meet with grantmakers in Michigan to discuss how the study of philanthropy and nonprofit organizations could be encouraged at the local and state levels. We were recently informed by the Kellogg Foundation that they have held several meetings with donor organizations in Michigan to explore how they can encourage academic institutions and faculty at those institutions to give increased attention to research and teaching on the independent sector.

By increasing funding for research, new and talented researchers can be

attracted to this sector. They, in turn, will attract students, and an inter-generational knowledge chain will be started. That is why endowed chairs are important. That is why interest on the part of major foundations is important to provide leadership in this neglected area of study, for gaps in research on this sector range across a host of disciplines from philosophy to the impact of philanthropy on science, to public policy, and to economics.

Although increased funding support for research has occurred, it falls far below the actual need to stimulate significant activity at colleges and universities. A recent letter from one of the researchers working on historical studies of the sector eloquently stated the difficulty facing talented and committed researchers in this field:

Moving towards a more durable research product may require that funders seriously rethink their goals. What, for example, is meant by "a basic body of literature?" Is it a series of isolated research initiatives undertaken for proximate purposes? Or, is it an ongoing and self-renewing enquiry which continually addressed both the applied and basic research issues affecting a field of activity or a set of institutions? If it is the latter, what kinds of funding strategies are likely to produce it?

Sustained enquiry requires sustained support—not merely support research, but underwriting the institutional infrastructure of conferences, journals, research programs, and teaching positions which attract the best scholars into a field and maintain communication between them. INDEPENDENT SECTOR's annual *Research-in-Progress* and Research Forum's *Working Papers* and Yale's *Working Papers* and books represent important steps in the right direction, the kind of sustained funding that would attract and hold the interest of teachers, researchers, and graduate students has not yet materialized.

. . . Institutions have been happy to accept the "soft" funding dispensed for research in the area. But none have been willing to make enduring commitments to nonprofit research. Without enduring commitments, particularly teaching positions, younger scholars will be unwilling to blight their careers by working in a field that offers them no prospects of employment or advancement.

These comments warn us that in spite of the progress made in the last five years, there is still an enormous challenge ahead to persuade institutions of higher education about the importance of permanent commitments to research and teaching about philanthropy. Certainly, we have started to establish a base for future progress, but during the next five years we will need an enlarged effort to institutionalize the gains we have made. This effort must include a substantial increase in philanthropy literature, increased dissemination of research findings, recognition on the part of government to improve its collection and reporting of data on nonprofit institutions and the people they serve in order to provide the basic resources for social science research, increased support for academic centers, and faculty specializing in research in this area.

The first decade of the Program on Non-Profit Organization at Yale University and the first five years of the Independent Sector Research Program have stimulated an interest in and increasing support for research on the sectors. During the next decade, we should assure the establishment of long-term attention and institutional commitments in order to sustain support for research and teaching about this sector.