

Model Syllabus #3: Philanthropy and the Nonprofit Sector

School: Davidson College

Professor: Ken Menkhous

“The non-profit sector is perhaps the least well-understood component of American society. . . Without a clear understanding of the non-profit sector, it is as impossible to comprehend American society and American public policy today as it was in the time of de Tocqueville.” Lester Salamon, in America’s Non-Profit Sector (1999).

Welcome to POL 324, an upper-level, cross-disciplinary course devoted to exploration of innovations, debates, controversies, and the state of the art of the non-profit sector and philanthropy in America and abroad.

The non-profit sector is of enormous importance in the US and in some, though not all, foreign settings. In America, it constitutes 8.8% of the GNP, employs 11% of the workforce, and is composed of an astonishing 1.2 million organizations. It is also a sector undergoing exciting and dramatic changes which are having a major impact on citizens and communities. And, it is a sphere of public life in which virtually all of us devote considerable time – as volunteers, donors, members, employees, board members, and beneficiaries. Yet it is rarely the subject of undergraduate academic coursework and has only recently begun to be more intensively researched.

Likewise, philanthropy – whether as donations by individuals or as part of major corporate giving and foundation work – is an increasingly important source of funding and innovation across a wide range of fields. One need only look at the scale and impact of the relatively new Gates Foundation to appreciate why philanthropy warrants closer academic study.

The course is primarily designed to serve students who:

- are active in volunteerism and community organization and outreach, and wish to learn more about the sector within which they work;
- anticipate entering careers in the nonprofit sector;
- expect to play a future role in philanthropy, charitable giving, advocacy work, or as board members of non-profit entities; or
- wish to learn more about broader social and political issues linked to the non-profit sector and civil society.

Course objectives

The primary aims of the course are to provide the class with an opportunity to explore:

- the rapid changes in and expansion of the role of the non-profit sector as a service provider, as well as explanations for these changes, and debates about their implications;
- the changing relationship between the non-profit, private, and public sectors;
- the role of non-profits in civil society, and the role of civil society in democracy;
- the “state of the art” of best practices and principles in community development;
- the many public policy debates, controversies, and criticisms surrounding the impact of charitable organizations, trends in philanthropic giving, and innovations in non-profit management;
- a sampling of theories and concepts from a wide range of disciplines which help us better understand philanthropy and the non-profit sector.

Course design and method

Students who have been granted permission to take this course are all experienced leaders or volunteers in non-profits and community outreach activities on campus and/or abroad. That background enables us to approach the course as a

partnership, with the expectation that all will be full participants in both learning and teaching one another. A premium will thus be placed on class discussions and debates. This in turn places extra responsibility on all class members to come to each session having closely read the assigned reading.

The course will also invite a number of speakers to join us during the semester. In the past, we have been fortunate to attract some wonderful speakers ranging from heads of local grass-roots organizations to presidents of large foundations. Some of these speakers will meet with us during class time; others may be scheduled to speak in a public forum in the evening. Use of in-class speakers invariably requires a bit of flexibility in our syllabus, as speakers must sometimes reschedule with us. Be prepared for a certain amount of revision of the syllabus over the course of the semester. The current syllabus is only provisional until dates with speakers can be confirmed.

Finally, the class is very fortunate to have been given a generous \$10,000 grant from the Sunshine Lady Foundation. The Sunshine Lady Foundation grant has been made available to this course since 2001, and will enable us to engage in a “learning-by-doing” philanthropic project involving the disbursement of the grant money to one of more non-profits at either the local or state level. Details about the semester-long project are detailed in an appendix to the syllabus. Note that committee work related to this project will require that students attend a “lab” on some Tuesdays and Thursdays from 1:00-2:15. By enrolling in the class you are accepting this additional “lab” requirement.

Course Grading and Requirements:

Review #1: 30%

Review #2: 30%

SLF Project paper: 10%

News journal: 10%

Class participation: 20%

Reviews: Reviews will cover all required reading, class discussions, speakers, and any other material identified by the instructor. A study guide will be made available prior to each review. The reviews will place high value on a student’s ability to thoughtfully and critically analyze complex issues and debates, and present that analysis in a clear and compelling manner. There will be no final exam.

News journal: Students are required to follow news on the non-profit sector over the course of the semester, using sources such as the *Chronicle of Philanthropy* which will be forwarded to you by email each day. Each student will keep a running journal commenting thoughtfully on news items you found to be most revealing or interesting about the sector. The journals should be typed and should average about one page per week for the first 12 weeks of class, and handed in toward the end of the semester.

Note on the project paper: see appendix.

Note on participation: The participation grade will be determined on the basis of the quality, not necessarily quantity, of contributions to class discussions made by students over the course of the semester. Thoughtful questions are often as valuable as a deep insight. This includes “project participation” — your active contribution to the Sunshine Lady Foundation grant committee work, in-class deliberations on the project, and your written assessments of each project proposal.

Students are advised that deadlines set for papers or take-home exams are strictly enforced. Requests for extensions based on overall work load will not be considered; students are asked to review their deadlines and make a work-plan at

the outset of the semester to avoid problems. Requests for extensions based on personal illness or family crisis will be considered on a case-by-case basis. If those requests are made shortly before an assignment is due, the instructor may request to see a copy of drafts completed up to that point. Late papers will be assigned a 5 point penalty per day, up to a total of 20 points.

Required Reading:

Some of the required reading will be made available on electronic reserve through the library website. The following books are required as well:

Powell and Steinberg, eds., *The Non-Profit Sector: A Research Handbook 2nd ed*, New Haven: Yale University Press, 2006.

Additional reading will be placed on the classroom electronic blackboard.

Key News Sources:

You are also required to keep abreast of current news on philanthropy and the non-profit sector. All students are required to follow news in the *New York Times*, either via special student subscription (you can subscribe at the College Bookstore) or via the internet. There is also a rapidly growing set of publications, newsletters, and websites devoted to the non-profit sector. We will rely especially on a daily electronic version of *The Chronicle of Philanthropy*: <http://philanthropy.com/>. This is a standard source of news on non-profits and philanthropy. The library subscribes to the *Chronicle*, which issues a daily electronic news bulletin. I will forward the email bulletin to you each day; it has summaries of stories you can access in full with a password I will provide you with (you may not share this password outside the college).

COURSE SCHEDULE

Part I: Introduction: The History and Context of Philanthropy, Volunteerism, and the Non-Profit Sector

Tuesday, Jan. 12: Introduction

- Introduction to the Course
- Introduction to Philanthropy and the Non Profit Sector

Read:

- Powell and Steinberg, ch 1 (pp. 1-4); ch. 3.

1:00-2:15 pm Lab – Guest Speaker, Ms. Doris Buffett, founder of the Sunshine Lady Foundation.

Thursday, Jan. 14: Overview

- Mapping the NPS – Changing Relations with the Private and Public Sectors
- Data on Giving, Volunteering, and Activities of the Non-Profit Sector

Read:

- P&S, ch. 5, 7, 23
- Independent Sector's national survey on "Giving and Volunteering" ("Key Findings" from latest survey in 2001) — access at <http://www.independentsector.org/>, select Giving and Volunteering, select Key Findings

Tuesday, Jan 19: Why Serve? Why Give?

- Exploring the Mixed Motives of Volunteerism and Financial Donations
- Debates over Mandatory Community Service

Read:

1. P&S, ch 24; and pp. 170-176.
2. Eisner, "No Paint, No Paintbrushes" in Dionne, ed., *Community Works* pp. 75-80 (Blackboard).

3. Gholson, "Charity Display?" New York Times (Jan 2 2005). (Blackboard)
4. Powell, "Better Society? Or Better Résumé? New York Times (Blackboard)
5. Parr, "Mandatory Community Service." (Blackboard)
6. "Community Service: Opportunity or Exploitation?" (Blackboard)
7. Strauss, "Too Many Innocents Abroad" New York Times (Jan 9 2008) (Blackboard)

Thursday Jan. 21: Understanding Altruism: Scientific Research and Debates

Read (all on Blackboard):

1. Dingfelder, "Altruism: An Act of Nature?"
2. West et al, "Altruism"
3. Wade, "Is 'Do Unto Others' Written Into Our Genes?" NYT (Sept 18 2007)
4. Winerman, "Helping Others, Helping Ourselves"
5. "The Altruist's Paradox" (and samples from discussion board) (NYT 2006)
6. Zimmer, "Chimps Display a Hallmark of Human Behavior: Cooperation" (NYT 2006)
7. Pinker, "The Moral Instinct" NYT (Jan 13 2008)

Tuesday, Jan. 26: Understanding Altruism, Cont'd – Social Science Research

Read (all on Blackboard):

1. James Scott, *The Moral Economy of the Peasant* (excerpts)
2. Lee Cronk, "Strings Attached"
3. Francie Ostrower, *Why the Wealthy Give: The Culture of Elite Philanthropy* (1995) (excerpts)

Thursday Jan. 28: Guest lecture

- Sarah Phillips ('01), "Challenges of Grant-Giving: Lessons from the Z. Smith Reynolds Foundation"

Tuesday Feb. 2: History of Charity

- Religious Traditions of Giving and Social Justice
- Historical Debates on Effective Charity
- The Rise of Modern Charities and Philanthropy

Read:

1. P&S ch. 1; ch 2 (pp. 32-48); ch 15 (355-64)
2. Isadore Epstein, *Judaism* (excerpts) (Blackboard).
3. Bremmer, *Giving: Charity and Philanthropy in History* (1996) (excerpts) (Blackboard).
4. "This Land is Home to Me: A Pastoral Letter on Powerlessness in Appalachia by the Catholic Bishops of the Region" excerpts (1975) (Blackboard).
5. "Was Jesus Rich?" (Blackboard)
6. Andrew Carnegie, *The Gospel of Wealth* (1889) (Blackboard).

Thursday, Feb. 4: Non-Profits and Public Policy since the mid-20th Century

- Rise of the Welfare State
- The Public Policy Context in the US into the 1980s
- Debates over the "Deserving" and "Undeserving" Poor
- Moral Hazard and the Debate Over Public and Private Outreach: "Is it Fair? Is it Effective?"

Read:

1. P&Sch ch 2 pp. 48-58; ch 10
2. Charles Murray, *Losing Ground* excerpts (Blackboard);

3. Philip Brickman, et al, "The Dilemmas of Helping," in *New Directions in Helping Vol I* (1983), pp. 17-44 (Blackboard)

Tuesday, Feb. 9: The Public Policy Context in the US since 1992: Welfare Reform and its Implications for the Non-Profit Sector.

- The Economic Context in the US: Globalization, the Post-Industrial Economy, and Rising Income Inequality.
- The Impact of 9/11.

Read:

1. Salamon, *America's Nonprofit Sector*, excerpts (Blackboard).
2. Aspin Institute, "Snapshots; Impact of Welfare reform on Non-Profits" (2001) (Blackboard)
3. Paul Light, *Pathways to Nonprofit Excellence*, ch. 1.(Blackboard)
4. Wagner, *What's Love Got to do With It?* Excerpts (Blackboard)

Thursday, Feb. 11 Legal and Tax Status of the NPS, Foundations, and Charitable Giving

- Legal Framework
- Tax status
- Tax breaks for donations

Read:

1. P&S, ch 11, 12
2. Strom, "Big Gifts, Tax breaks, and a Debate on Charity" NTY 2007 (Blackboard)
3. Reich, "Failure of Philanthropy" (Blackboard)

PART II: Trends and Transformation in Philanthropy and the Non-Profit Sector

Tuesday, Feb. 16: Transformation of Relations with the State?

- Sub-Contracting of Social Service Delivery to Non-profits
- The Issue of Autonomy

Read (all on Blackboard):

1. P&S ch 10 (again)
2. "Changing Roles, Changing Relationships: The New Challenge for Business, Non-Profit Organizations, and Government."(2000);
3. Chikoto, ""Government Funding and INGO Funding" (July 2007)
4. Aspen Institute, "Snapshots: "NonProfits as Contractors to Local Governments" (2007)

Thursday, Feb. 18: Review #1 – in class, with take-home component. Take home due as electronic attachment by 11:30am Feb 23.

Tuesday Feb. 23: Church and State

- The Bush Administration's Faith Based Initiative and its Impact on the Non-Profit Sector
- General Trends in the Non-Profit Status of Faith Groups
- Advocacy, Values, and Non-Profit Status of Faith Groups

Read (all on Blackboard):

1. Stephen Monsma, "Working Faith; How Religious Organizations Provide Welfare-to-Work Services (2002);
2. DiLulio, "The Three Faith Factors," *The Public Interest* (Fall 2002);
3. David Kuo, "Why a Christian in the White House felt Betrayed" *Time* (Oct 2006);
4. "Faith Based-Initiative" news articles;
5. Cranish, "Religious Right Wields Clout" *Boston Globe* (2006)

Thursday Feb. 25: “Venture Philanthropy” and the New Philanthropists

Read (all on Blackboard):

1. “The New Philanthropists” Time
2. The Economist, “The Business of Giving” (2006)
3. Morino Institute, “Venture Philanthropy: The Changing Landscape” (2001)

Feb 27-March 7: Spring Break

Tuesday March 9: The Changing Role and Nature of Foundations.

Read:

1. P&S ch. 15
2. Karl and Karl, “Foundations and the Government” (Blackboard)
3. Aspin Institute, “Snapshot: Addressing the Foundation Payout Debate” (2006) (Blackboard)
4. “On the Brink of New Promise: The Future of US Community Foundation” (2005) (Blackboard)

Thursday, March 11: Governance

- Trends in Project Monitoring and Evaluation
- The Role of Boards/Accountability
- Making Non-Profits and Foundations Learning Organizations

Read:

1. P&S ch. 26
2. James Irvin Foundation, “Mid-Course Corrections to a Major Initiative” (Blackboard)
3. Brown and Fiester, “Hard Lessons about Philanthropy and Community Change from the Neighborhood Improvement initiative,” Summary only (March 2007) (Blackboard)
4. Panel on the Non-Profit Sector, “Principles for Good Governance and Ethical Practice: A Guide for Charities and Foundations” (March 2007) (Blackboard)
5. USAID, “Tips: Building a Results Framework” (Blackboard)

Tuesday, March 16: no class

Thursday, March 18: Double session

Session One: Fiscal Trends and Relations with the Market Economy: Marketing, Commercialization, Social Ventures, For-Profit Subsidiaries, and For-Profit Competition

Read:

1. P&S ch 8, 27
2. Bill Shore, The Cathedral Within excerpts (electronic reserve)

Session Two: Mission and Advocacy

Read:

1. P&S ch 13, 25
2. Schambra, “The Long-term Perils of Aggressive Advocacy” Chronicle of Philanthropy (December 10 2007) (Blackboard)

Tuesday March 23: Guest lecture

Mr. Michael Marsicano, President, Foundation for the Carolinas, at 1:00pm.

Thursday March 25: Double session

Session One: Trends in Non-Profit Fundraising: From Art to Science

- The Impact of Technology on Giving
- Debates over Endowments
- The Science of Fund-raising

Read (all on Blackboard)

1. KIVA website: <http://www.kiva.org/>
2. "How Long Should Gifts Just Grow?" NYT
3. Fain, "Yale's Endowment Spending Increase Earns Praise. . ." Chronicle of Higher Education (Jan 8 2008)
4. Bank of America and Indiana University Center on Philanthropy, "Study of High Net Worth Philanthropy: Portraits of Donors" (December 2007)
5. NYT, "Where Giving has Gone" (chart)
6. Strom, "What is Charity?" NTY (2007)

Session Two: Issues and Trends in Non-Profit Management

Read (all on Blackboard)

1. Peter Drucker, excerpts
2. Indiana University Non-Profit Overhead Cost Project, "Getting What We Pay For" (2008)
3. Silverman, "What Business Execs Don't Know – But Should – About Non-Profits" (2006)
4. Shapira, "Fulfillment Elusive for Young Altruists. . ." Wash Post (November 2007)

Tuesday, March 30: Non-Profits and Civil Society

Read:

1. P&S ch. 9
2. Dionne, ed, Community Works: The Revival of Civil Society in America, excerpts (Blackboard)

Part III. International Dimensions of Philanthropy and the NPS

Thursday, April 1: Foreign Aid and Int'l NGOs

Read:

1. P&S ch 14

Tuesday, April 6: Easter Holiday

Thursday, April 8: Review #2, in class, with take home component

Tuesday, April 13: Global Philanthropy

Read (all on Blackboard):

2. Global Development 2.0, ch 1.
3. Hudson Institute, "Index of Global Philanthropy 2007" pp 1-26.
4. Bruck, "Millions for Millions," The New Yorker

Thursday, April 15: The Rise of the Non-Profit Sector Abroad

Read:

1. P&S ch 4.
2. Bornstein, How to Change the World excerpts (Blackboard)

Part IV: Sectoral Cases, and the Future of Philanthropy and the NPS

Tuesday, April 20: Health Care; Social Care, Education

Read:

1. P&S, ch. 16, 17, 18

Thursday, April 22: The State of the Art in the Non-Profit Sector: Discussion of Best Practices

Read (all on Blackboard):

2. Bill Clinton, Giving (excerpts)
3. Crutchfield, Forces for Good, (excerpts)
4. Light, Pathways to Non-Profit Excellence (excerpts)

Tuesday April 27: The Future of Philanthropy and the Non-Profit Sector

Read (all on Blackboard):

1. Salamon, America's Non-profit Sector, ch 12
2. "Donors of the Future Scan 12 Key Trends. . ."
3. Folton and Blau, "Looking Out for the Future; An Orientation for 21st Century Philanthropists," executive summary

Thursday April 29: Double session – Grant allocation meeting

- At this meeting we will make a final decision about the awarding of the sunshine grant.
- We will use both the class session and lab period.

May 4: Discussion of lessons learned from the grant-giving exercise

- Grant paper due (send electronically)

May 6: Reading day

- News Journal due (send electronically)

May 7-12 exam week (May 7-10 for seniors)

Appendix A: Guidelines for written assignments

1. Sunshine Lady Foundation Grant Paper (due May 4 – send as attachment).

Write a "lessons learned" assessment on the process of allocating the Sunshine grant. You may place emphasis on whatever you deem to be most important, but your paper should address lessons on at least some of the following:

- procedural and administrative issues
- challenges of assessment of grant reviews
- the values, principles, and ethical issues at play in the process

- personal and group dynamics of decision-making
- insights into the work of grant-giving foundations
- insights into the work of grant applications by non-profits

The paper should be about 10 double-spaced pages. The grade for the paper will be determined by the following criteria:

- quality of analysis: do not just describe, but thoughtfully assess what happened
- persuasiveness: compelling, clear theses and positions backed up with specific examples from the process
- clarity and appropriateness of “lessons learned:” the paper should be written in a way such that an individual from outside the class and with no experience in grant-giving would find the piece illuminating and educational.
- quality of writing. This always matters!

Stylistically, the paper need not and should not read like a conventional college term paper. Give it the structure and tone of a policy paper. You may make reference to ideas and quotes from our readings if appropriate, though that is not expected. If you do, footnote and use standard, complete endnote citations, including page numbers.

Honor Code considerations: The paper is unusual in that it requires you all to write on a common experience, about which you will no doubt be talking together. You may discuss with classmates the general experience and your general observations about the process. You may not share specific plans and outlines for your papers. General brainstorming together is not only acceptable, but the whole point of the exercise; still, make sure the paper you write is your own.

2. News journal (due as electronic attachment May 6)

You are asked to keep a weekly journal – typed, on the PC – in which you capture thoughts and observations on the non-profit sector and/or philanthropy based on news items you will monitor throughout the semester. I will forward to the class a daily news summary from the *Chronicle of Philanthropy* which will serve as the basis for our news coverage, though the *New York Times* and other sources should be followed as well. Your journal should identify the specific story or stories that caught your attention, provide a brief summary of the news itself, and then open up to your reactions and observations. This will be an especially useful exercise if you use the journal to capture “aha” moments (a news piece gives you a new insight on the sector); link news items to classroom material; and most importantly allow yourself to express your own ideas and concerns about the non-profit sector. Length of entries can vary, but should be roughly one single-spaced page per week. You may not wait until late in the semester to begin this exercise – it is meant as a weekly assignment (though I will only read and grade it at the end of the semester).

Appendix B

Lab sessions (1:00-2:15) schedule

Planning document/Timetable for SLF grant work (provisional)

There are core tasks for the SLF grant which need to be frontloaded in sequential order, and there are deadlines at the end of the semester from which we need to work backward on a schedule of action items. What follows is a first cut at planning and scheduling those action items. This will certainly change over the course of the semester.

T Jan.12: Guest Speaker, Ms. Doris Buffett

Th Jan. 14 Lab: First Planning Session on the Sunshine Grant Project

In this first planning session we will discuss core issues related to the Sunshine Grant. The agenda of the meeting will include:

- Identification of essential tasks to be completed in order to advertise the grant and solicit grants from non-profits in the defined area of eligibility.
- Establishment of committees
- Agreement on deadlines and time-frames for the grant solicitation and award
- Preliminary discussion of the main priorities and principles guiding the process
- Agreement on general decision-making procedures
- Review of past class experiences with the grant from Dr. Menkhaus

T Jan. 19: Plenary Exercise: class evaluation of sample applications from 2007, 2008, discussion

Th Jan. 21: Committee meetings – discussion of eligibility and criteria

T Jan. 26: Committee meetings – finalize eligibility and criteria discussions

Th Jan. 28: Plenary – discussion and votes on options for eligibility and criteria

T Feb. 2: Plenary – discussion on wording of advertisement and application; appointed committee then takes these decisions and finalizes application form and advertisement letter

Ideally, grant is advertised and application forms distributed sometime in early February

Th, Feb. 4: final read through and edits of application form and advertisement

Web site established

Advertisement of grant

Minimum 5 weeks time between advertisement and deadline for applications

Between Feb 4 and mid-March, action items:

- criteria operationalized in scoresheet
- rules, guidelines, principles discussed
- conflict of interest rule delineated
- decision-making/voting procedures discussed, agreed upon

Feb. 27-March 7: Spring Break

Thursday, March 18: Committee must have scoresheets, guidelines, rules finalized

- Deadline for Grant applications (on or about this date)

Friday, March 19: Distribute packets for review to each class member.

From March 20 to April 8, students review and grade each application.

Tuesday, April 6: Easter Holiday

Thursday, April 8: Individual grading completed. Committee meetings to discuss each project in turn. Revision of grades by students as desired.

Tuesday, April 13: Committee meetings to discuss each project in turn. Revision of grades by students.

Thursday, April 15: Final committee meetings to discuss and create short-lists. Results forwarded to executive committee

Tuesday, April 20 Plenary – Common short list discussed

Th, April 22: Plenary — Common short list discussed, voted on by ballot to create a finalist list.

Tuesday, April 27: Double session – Grant allocation meeting

- At this meeting we will make a final decision about the awarding of the sunshine grant.
- We will use both the class session and lab period.
- Contact all applicants. Cut checks.

Thursday, April 29: Discussion of lessons learned from the grant-giving exercise

Tuesday May 4: SLF grant after-action review paper due as electronic attachments.