Fund Raising and the College Presidency in an Era of Uncertainty: From 1975 to the Present

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Abstract

During the last 20 years the level of intensity, the sense of urgency, and the technical sophistication associated with fund raising dramatically increased on the nation's campuses and among nonprofits in general--in fact, so much so that public colleges and universities began development programs *en masse* and launched aggressive, bold campaigns to rival their private counterparts. As a result, considerably more critical attention and media coverage was given to the role of college and university presidents in fund raising. However, as a whole, this body of writing has lacked depth and context, and the present article provides a broad framework from which to understand this phenomenon.

Introduction

When Harvard President Neil Rudenstine took a leave of absence at the end of 1994 in order to recover from exhaustion and to undergo a battery of medical tests, several published reports cited fund-raising stress as one contributing factor [18, 42].

In assessing various analyses offered by the higher education community regarding this event, Robert Hahn, president of Johnson State College, stated, "Most observers have relied on familiar fallacies and myths." Hahn also noted, "The simplistic quality of most of the commentaries on Mr. Rudenstine's leave of absence suggests that much remains to be done to enlarge our understanding of the perils of [academic] leadership" [40, p. A64].

The Rudenstine case--and Hahn's remarks--underscore the need for and the glaring omission of a general history of the academic presidency in the literature of higher education and nonprofit leadership. Such a work would provide historians and other scholars, as well as journalists and practitioners, with a broader context from which to base their understanding and frame their views of current events and trends affecting the academic presidency. Such a work would also hopefully elevate and improve the quality of discourse regarding academic chief executives and fund raising. Unfortunately, space does not allow for such an in-depth treatment of the subject here. Instead, this article will provide a context and overview for the 20-year period from 1975-1995, described by Lilly as the Era of Uncertainty [55].

In so doing, this article will attempt to make a number of salient points, including the following:

1) The past 20 years have been correctly called an Era of Uncertainty in higher education because of certain defining characteristics.

2) During this period, both public and private universities have increased their commitment to private fund raising.

3) The increased emphasis given to private fund raising by public universities has changed a tacit, long-standing agreement which existed between public and private institutions.

4) Fund-raising campaigns have become a way of life at many institutions.

5) Academic presidents must devote a significant portion of their time to fund-raising activities.

6) Many presidents have difficulty adjusting to their roles as fund raisers.

7) Fund raising and financial affairs in general are among the more high profile duties/endeavors of a president, and among the skills/attributes most prized by trustees as well as some faculty and alumni, and most widely reported by the media.

8) Due to the increasing complexity of fund raising, presidents and other university personnel must have greater familiarity with tax laws, planned giving, estate planning, and other technical aspects of philanthropy.

9) Fund-raising considerations play a major part in the presidential selection process as well as the length of time incumbents remain in office.

10) There has been a slight trend in recent years toward hiring presidents with a background in development or business, although promotion from within academic ranks is still the norm.

11) Presidents should spend their time and effort in fund raising on the cultivation and solicitation of major gifts and in providing administrative leadership.

12) Presidents must emphasize a team approach to fund raising in which they play the dual roles of quarterback/athletic director.

The Era of Uncertainty

The decades following World War II have been called the Golden Age in American higher education. Federal funds flowed freely, enrollments soared, tremendous sums were expended for construction of new facilities and/or campuses, the community college movement had its flowering, and state university systems were created, to mention but a few notable characteristics [44, 77, 89].

By way of comparison, Whetten and Cameron contrasted this period with the Era of Uncertainty:

> For at least two decades after World War II, higher education administrators had a relatively easy job. By traditional standards, administrative effectiveness was almost universal. Enrollments were increasing, revenues were growing, innovations in the form of new and experimental programs were common, and almost unprecedented prestige was associated with college professors and administrators in the minds of the public. The environment in which higher education existed was largely protected from outside competition (e.g., almost no corporations offered degree granting programs, and accreditation was restricted, for the most part, to college and university campuses), and costs of college were offset by the availability of large amounts of federal dollars.
>
> All that changed in the 1970s and was magnified in the 1980s: the availability of federal funds was severely curtailed; the legitimacy and usefulness of college degrees was called into question; private corporations began entering the higher education business at a rapid pace and now spend more on education than do colleges and universities; shifting demographics resulted in declining enrollments; and, the public prestige associated with faculty and administrator status plummeted along

with their relative earnings [101, p. 35].

For these and other reasons, by the mid-1970s, the postwar boom in higher education had begun to fizzle [44]. According to one source, "Overnight, it seemed, colleges and universities went from a period of plenty to one of poverty" [19, p. 391]. Many factors contributed to this change in the economic climate, and these will be explored in greater detail shortly. However, it is first noteworthy to observe that 1975 spawned several important publications relevant to the topic at hand.

First, a monograph entitled *The President's Role in Development* --apparently the first full-length treatment of this topic--reflected concerns among the nation's higher education leaders over changing expectations for presidential leadership in fund raising and institutional advancement [2].

Second, a study entitled *Giving in America* was published by the Commission on Private Philanthropy and Public Needs, chaired by John Filer of Aetna Life and Casualty Company. The Filer Commission, as it came to be known, had been organized in 1973 in order to document the significance of philanthropy in American life and raise its profile among government and business leaders. The Commission concluded that the nonprofit sector included about six million voluntary organizations with an annual income of some $80 billion, and recommended the establishment of a permanent national commission on philanthropy, an expansion of corporate giving, changes in the tax laws to stimulate further giving, and the removal of restrictions on lobbying by charitable organizations other than foundations [12].

And third, 1975 was the year in which a landmark essay, "The Management of Decline," was first published. Its author, economist Kenneth Boulding, predicted a period of slowdown in the American economy for the next 50 to 100 years and called for a new breed of administrators to oversee this evolution. According to Boulding:

> If this age [of rapid growth] is now coming to an end, large adjustments

> will have to be made in our ways of thinking, in our habits and standards of decision making, and perhaps even in our institutions. The prospects for the next 50 to 100 years, barring a major catastrophe such as nuclear war, suggest that we are now entering the age of slowdown.
>
> ...The implications of all this for education, and especially for higher education, are profound. Education is likely to be the first major segment of the economy to suffer a decline, and management of this decline may very well set the tone for the management of the general slowdown.
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> ...One of education's first priorities, therefore, should be to develop a new generation of academic administrators who are skilled in the process of adjusting to decline...Before we can do this, however, we need to study decline through research programs, beginning perhaps with the educational system, where decline is already upon us...[10, pp. 8-9].

In commenting on this at the time, Clark Kerr stated, "The people who were hired to build in the '50's and early '60's are kind of out of date, and so are the people who were hired in the late '60's and early '70's to handle students and public-relations emergencies. The talents needed now are financial talents, the ability to cut and trim" [88, p. A4]. Kerr later described this presidential type as "a kind of super-accountant" [70, p. 1].

As an example, Dale Corson, former president of Cornell University, wrote a memorandum in 1975 to his board of trustees, faculty, and university senate to explain why the following year's budget included a 10% increase in tuition, a $2.3 million reduction in operating costs, and a $1.3 million deficit. "We are at the end of an era," he commented. "The growth and the affluence of the last three decades, particularly the last two decades, are over" [56, p. A3].

Leon Botstein, president of Bard College, explained this as follows: "By the mid-1970s, the academic job market had collapsed and enrollments at graduate schools declined. The era of growth and expansive, experimental change for the university had come to an end. Retrenchment, early retirement, and faculty development became new enthusiasms." Specifically, he called 1975 a "turning point," citing the beginnings of long-term economic concern about America, doubts regarding the possibilities of a continued American political preeminence in the world, the emergence of a serious environmental movement, and the first warnings about the state of literacy among students [9, p. 39].

Alan Hamlin, in a study of factors associated with the survival of financially-endangered private colleges and universities, also stated:

> Several factors combined to erode the financial base of American private colleges and universities during the 1970s: enrollments declined when the 'baby boom' generation grew older; national economic trends were generally in decline--evidenced by two devaluations of the dollar, two recessions, and severe bursts of inflation and unemployment; public confidence in the performance of educators began to wane; and the burden of judicial litigation and governmental regulation began to take its toll on higher education [41, p. 2].

In addition, Keller cited a 1981 study by NACUBO which found that fewer than 50 U.S. colleges and universities had endowments of $100 million or more, and fewer than 200 had an endowment larger than $10 million. According to him, "Nine out of ten institutions in the United States, therefore, are precariously financed, and many live at the brink of jeopardy and instant retrenchment" [44, p. 152]. In citing the source of these difficulties, Keller explained:

> [T]he formation of the OPEC cartel in 1973, and the resulting higher prices for oil, suddenly caused fuel bills to triple or quadruple. Double-digit inflation in the late 1970s brought rapid increases in the costs of library books and periodicals, educational and scientific equipment, and labor. The possible financial collapse of the social security system mandated higher college contributions to its members in the system. As health care costs ran up, major medical insurance costs escalated. New expenses for the handicapped and for the implementation of affirmative action plans became necessary. As tenure tightened, the number of lawsuits against universities rose, and the size of university legal staffs often had to be tripled, at considerable expense. The computer revolution required costly purchases of new hardware. More detailed federal accounting procedures, the rise of state coordinating agencies and their voracious demands for data, and nervous state budget officials seeking greater accountability forced the expansion of white-collar institutional research, accounting, and reporting staffs. Finances came to dominate campus management [44, pp. 10-11].

As a result of these and other forces, colleges and universities of all varieties increasingly looked to fund raising from private sources to supply a greater percentage of their needs. In particular, many public institutions began private fund-raising programs during the mid-1970s, and by the early 1980s, had learned to look to the private sector for the resources needed to fulfill their aspirations [38, 105].

Growth in Educational Fund Raising

During the 1980s, tuition grew by double digits almost annually at most colleges and universities [38], while the stock market recorded an average annual gain of 17.4 percent [13]; yet despite this, revenue was still insufficient to balance budgets on most campuses, and as a result, institutions increasingly looked to voluntary support, especially capital campaigns [3, 31, 54, 80, 95, 97]. According to Geiger, "Fund-raising campaigns became virtually ubiquitous: in 1990, 38 of the 55 AAU universities were either conducting or planning such campaigns and at least six envisioned billion-dollar targets" [38, p. 314].

Gains in collegiate fund raising were not distributed equally, however. According to Breneman, "Many small [private] colleges did not have a history of sophisticated fund-raising activities before the 1980s, but most advanced far along the learning curve during that decade, launching campaigns and developing the necessary volunteer support organizations required for success" [13, pp. 33-34]. He then provided a few examples from his 1994 study of 212 liberal arts colleges:

> One tends to think of fund-raising as having a long history in private colleges, and yet, in several of the colleges visited, professionally conducted development efforts are of rather recent origin. At Bowdoin, for example, the development office is located in a former president's home on the edge of the campus, physically removed from the president's office and other parts of the campus. Prior presidents apparently did not

look favorably on development, and its location reflects the marginal status accorded to it in the past. The vice president observed that Bowdoin has only had a fully professional development staff for about five years, suggesting that the college has considerable unrealized potential in fund-raising. Dickinson College, founded like Bowdoin in the eighteenth century, is also a fairly recent convert to development, with such efforts conducted by a fully professional staff for less than a decade. Although Dickinson has over 20,000 living alumni of record, the college's annual fund just surpassed the $1 million mark recently...

Every college I visited had just completed a capital campaign, was in the midst of a campaign, or was planning the next one. The dollar amounts of these actual or planned campaigns ranged from a low of $10 million to a high of $150 million...Presidents reported definite expectations in the college community on their role and performance in this aspect of the job, as well as the view that development will require ever-increasing presidential time in the years ahead. Not surprisingly, however, presidents at these colleges (as would be true of any set of institutions) differ in their skill and interest in fund-raising, and development officers were candid with me in expressing such judgments. In earlier years, a president who disliked fund-raising could spend little time doing it, but that is less true today. Tension between the president and the development staff is increasingly common as expectations rise, and I observed several instances of that problem... [13, pp. 108-109].

K. S. Kelly added another reason why the development function has been slow to develop at some private colleges:

> [W]hen I assumed the vice presidency of development and public relations at Mount Vernon College in 1982, this small, private, women's college in Washington, DC was approximately $2 million in debt. Contributing to this deficit was the fact that for generations, the college had depended on its relationship with Marjorie Merriweather Post, heiress of the Post Cereal fortune, an alumna, major donor, and trustee of the college. According to fellow administrators, this dependency was so strong that for years before her death Ms. Post would schedule an annual visit to the president to learn the amount of deficit incurred by the college that year, at which time she would write a personal check to cover the deficit.
>
> Convinced that Mrs. Post's role as a trustee would prompt her to provide a major bequest on her death, Mount Vernon continued to operate in the red, failed to build an adequate endowment, and rarely solicited gifts from other alumnae or friends. It is not surprising, then, that when Mrs. Post died and Mount Vernon College received only $100,000 and 10 cadillac limousines, the college was unprepared to adjust to its new financial circumstances; therefore, in 1982, much of my efforts as vice president were spent trying to convince other wealthy alumnae, who had never been solicited by their alma mater, that the college needed their private support [46, p. 181].

Despite these examples, however, private colleges have historically been more active in fund raising than their public counterparts [24, 25, 58, 62, 66, 81, 84, 87], although that began to change about 15 years ago, as demonstrated by a 1979 study of capital campaigns at 1,912 U. S. colleges and universities. The study found that during an 11-year period (1974-84) about half of these institutions were either conducting a campaign or planning a campaign for the near future. The study analyzed data on capital campaigns begun or completed during the period 1974-79, and also for the period 1979-84, substituting 'contemplated' for 'completed.' Both periods were 5.5 years in length with June 30, 1979 as a midpoint [22].

Several interesting findings were reported. Roughly 9% of the public and 37% of the private institutions initiated campaigns between 1974-79. The average campaign lasted 3.6 years. The combined total of all campaign goals between 1974-79 was $8.5 billion. Of the institutions completing their campaigns by 1979, 88% of public and 79% of private institutions met or exceeded their goals. The average goal for public institutions was $7 million; for private institutions, $15 million. Private institutions conducted 80% of all campaigns and sought 89% of all funds. Research and doctoral universities--primarily private institutions--received 50% of all funds while conducting only 10% of all campaigns. Endowment funding was the leading purpose of campaigns, accounting for 50% of all funds sought, followed by construction of new facilities (25%) and renovation (10%). This was true at both public and private institutions. Current operating funds accounted for 9% of public institution goals and 16% of private campaign goals. Only 18 institutions had campaigns of $100 million or more [22].

During the later period (1979-84), a definite trend emerged among public institutions as the percentage of those beginning or planning a campaign doubled (from 9 to 18), while among privates, the percentage (37) held constant. The total goal for all public campaigns was about $1 billion, close to a 50% increase over the early period, while the total goal for private campaigns climbed by 30%. It is interesting to note that during 1979-84 only 4% of public community colleges were involved in a campaign [22].

"Twenty years ago, there weren't many public universities, if any, engaged in fund-raising," said Bob Bryan, interim president at the University of South Florida during 1993-94 [108, p. B7]. Gene Budig, former chancellor of the University of Kansas, added, "The country's leading state universities are either in the final stages of large fund drives or about to launch new ones. No one is standing by with indifference. That was not true 25 years ago, when most people in higher education regarded systematic fund raising as the purview of private colleges and universities" [17, p. 39].

In addition, the historical pattern of campaigning has changed, according to Smith:

> Traditionally, institutional requirements for capital funds were kept separate from the needs for annual operating support. The financial development programs of most institutions could easily be divided between the need for physical expansion or rehabilitation of facilities and the need for current budgetary support. Building programs were perceived to be inherently discrete, whereas academic programs obviously required continuous funding on an annual basis. In recent years, however, the financial pressures on colleges and universities have led to a change in these perceptions, and the multipurpose fund drive, combining appeals for operating funds and capital funds, has emerged...[94, pp. ix-x].

According to Dove, four distinctive campaign models can be found today: the traditional capital campaign, the comprehensive campaign, the single-purpose campaign, and the continuing major gifts program [30]. This array of titles can be confusing, especially since many institutions fail to differentiate between them. Most large campaigns in the modern era are called capital campaigns but are really comprehensive campaigns. At any rate, the preponderance of these campaigns, both in number and size, has continued to increase in recent years, and this trend shows no sign of slowing.

In the late 1980s, for example, several writers noted that more than 60 of the nation's colleges and universities were then conducting campaigns to raise more than $100 million each [54, 80, 97]. "You're not in the major leagues if your goal is under $100-million," said William P. McGoldrick, former vice president for institute relations at Rensselaer Polytechnic Institute [3, p. A75]. Indeed, some institutions upped the fund-raising ante by launching campaigns for $1 billion or more.

First out of the blocks was Stanford University with its announcement of a 5-year, $1.1 billion campaign beginning Feb. 1, 1987. Stanford reached its goal ahead of schedule in June, 1991 and eventually raised $1.27 billion. This premier feat is even more remarkable when the constant stream of negative publicity generated during this period is considered.

"It isn't every campaign that has a major unfortunate change in the tax laws, a stock market crash, and a $160 million earthquake," said Donald Kennedy, former Stanford president [63, p. A34]. It also isn't every campaign that has a federal investigation over the indirect-cost rate charged for research, a long-time medical educator who resigns after claiming sexual harassment and discrimination by male faculty and administrators at the University's medical school (she later withdrew her resignation), and a presidential resignation and divorce.

Stanford's announcement, and subsequent success, was followed by other campaigns with similarly lofty goals among the elite ranks of American universities. Even Oxford, the stately ancestral monarch of higher education, has since hired its first fund-raising director and recently completed a modest $400 million campaign, its first-ever American-style fund-raising effort [83].

Boston University and New York University launched billion-dollar campaigns in 1988 that will extend to the end of the century. Next to throw its hat in the ring was the University of Pennsylvania, which announced in 1989 a five-year, $800 million campaign and then later raised the goal to an even billion after a series of successes. Late in 1990 two Ivys--Columbia and Cornell--also announced plans for five-year, record-setting campaigns. Columbia's goal is $1.15 billion and Cornell has targeted $1.25 billion. Michigan and Yale also joined the 'billion-dollar club,' launching in 1992 the public phase of campaigns for $1 billion and $1.5 billion, respectively.

In 1994 Harvard announced a campaign for $2.5 billion, and several other universities are in the planning or silent stages of billion-dollar campaigns. Massachusetts Institute of Technology successfully completed a five-year, $700 million campaign in 1992, and Columbia's last fund drive (1982-87) brought in over $600 million, as did similar drives by Johns Hopkins and Washington University.

According to Matthews:

> Gone are the days of souvenir mugs and T-shirts; nowadays the focus is on detail, pressure and glitz. Stanford's centennial road show [to 31 cities], for example, paired faculty panels on biomedical ethics with a singing-and-dancing extravaganza requiring a technical crew of 40 to set off lasers, fireworks and an on stage bonfire [57, p. 73].

The 1990s may well become known as the "Billion-Dollar Decade" in higher education fund-raising, added Cornell President Frank Rhodes. According to him:

> The move toward billion-dollar campaigns reflects, on the one hand, the fact that there are a substantial number of individuals in our society who are capable of providing multimillion-dollar gifts. Rather than making

> donors of more modest means feel that their own contributions are insignificant when compared to the need--as some higher education observers had initially feared--billion-dollar campaigns have opened up new levels of giving that campaigns for smaller amounts might never have tapped.
>
> Billion-dollar campaigns reflect, as well, the magnitude of the financial challenges facing many institutions as they seek to attract and retain high-quality faculty and staff; maintain their libraries, computing centers, dormitories, and other facilities; purchase up-to-date equipment for teaching and research; and provide enough financial aid to make their programs accessible to students from a variety of economic circumstances. With a substantial number of institutions charging students more than $20,000 a year for tuition, fees, room, and board, with federal financial aid programs covering only a fraction of the cost, with increased competition for federal research dollars and limited funds for facilities, private support is no longer merely a welcome add-on that can provide a margin of excellence. In many cases, it is essential to institutional survival [79, p. 65].

This success in fund raising has not escaped notice. In an initial ranking of the 400 nonprofit organizations in the U.S. receiving the most private support, the 'Philanthropy 400' for 1990 included 141 colleges and universities, "far more than any other kind of organization" [76, p. 20]. Many of those listed indicated that they were involved in a capital campaign.

However, despite their many benefits, campaigns often engender unrealistic expectations, especially among faculty members. Robert S. Shephard offered an insightful and comprehensive analysis of this phenomenon. According to him, campaigns often have a 12-year cash flow spread:

> Fund-raising campaigns are typically five-year efforts. That is where the confusion starts, for it is often assumed that solicitation begins in the first year and that by the fifth, all the money has been collected. Actually, however, the cash flow of most campaigns stretches over 12 years or more.
>
> Fund-raising drives are five-year efforts only in their public phases, which begin after the campaigns and financial goals are announced. The public phase typically is preceded by a two-year private effort to collect gifts and pledges from trustees and previous major donors...
>
> Adding to the confusion is that commitments made during both the private and public phases of the campaign are likely to be five-year pledges. Seldom do donors make lump-sum cash gifts. Thus, the cash flow in a typical campaign extends from the first payment in the first year of the private phase to the final payment on a pledge made during the last year of the public phase. Hence the 12-year spread for gift revenues [90, p. A48].

Next, Shepard pointed out that fund-raising totals do not equal available cash:

> It is important to understand how campaign gifts are counted, so as not to be led astray by the numbers that appear periodically on the development office's scorecard. The numbers reported reflect a combination of cash received and pledges made. They do not equal cash that is available.
>
> Fund-raising campaigns are not the total answer to the budget woes of colleges and universities. Major gifts, the bread and butter of all successful campaigns, often are designated for specific, restricted purposes. Although we do our best to match donors' interest with university priorities, it is not always easy to find six- and seven-figure gifts that will provide direct budget relief.
>
> ...Often 50 per cent or more of the gifts made to a campaign are earmarked for the institution's endowment, and most institutions follow a rule of spending only approximately 4 per cent of the endowment's market value each year. Faculty members often forget the tradeoff involved in building endowments: The long-term benefit of a large endowment means the sacrifice of short-term spendable cash [90, p. A48].

Some observers feel that the increasing dependence on private donations is also weakening the distinction between public and private institutions. Brad Choate, former development officer at Ohio State, said, "The difference between a public and a private university is in how you run it--with elected officials or not--rather than in how you fund it" [39, p. A30].

"We had to combat the misconception that Penn State is a university owned and operated by the state and having no need for private gifts," said Roger Williams, assistant vice president and executive director of university relations at Penn State. Only 22% of the University's budget comes from the State of Pennsylvania, he said, making it a "state-related" institution governed by its own board of trustees, only a few of whom are state appointees. "Our goal was to show that private dollars provide the critical academic infrastructure--endowed faculty positions, graduate fellowships, scholarships, research support--that enhances academic quality and allows us to play ball with the nation's best universities," he said [6, p. 20].

"You cannot be a first-rate public university today unless you've got a significant amount of private contributions coming in," said Theodore Saenger, former national chairman of the University of California at Berkeley's 'Keeping the Promise' campaign [39, p. A31]. Gene Budig, former chancellor of the University of Kansas, explained this view in more detail:

> [T]he large state university remains only state-assisted, not fully state-supported. Tax-based state assistance, though limited, should be expected to provide the foundation for quality higher education. But it will never offer the full measure of funding required for true and lasting excellence.
>
> Tuition, we must acknowledge, is a limited source of revenue for the state university. It must be held at reasonable levels if the institution is to remain accessible to qualified students, especially minorities.
>
> Research grants and contracts, awarded to a growing number of leading faculty, bring in substantial revenues for the state university. But only private support, realized through an aggressive drive, can bridge the gap between adequate funding and funding for recognized excellence. Through endowment income and annual support, private donors are

> greatly strengthening progressive state universities...
>
> ...True quality will emerge only when a public university blends adequate state support with a substantial private endowment. Private dollars can provide a margin of excellence [17, p. 40].

David Riesman, a Harvard sociologist and authority on American higher education, cited the new competition between publics and privates for philanthropic funds as evidence of the demise of a "tacit agreement" that has existed for decades between the two sectors [107, p. B7]. Benezet documented the earlier existence of such agreements as follows:

> A...form of indirect yet substantial state university help to the private sector is self-denying ordinances against broadside fund raising among private sources for public colleges. Such restraints are most carefully practiced by public universities located in states with strong private colleges. Midwest state institutions have had full development staffs for many years...
>
> The State University of New York, on the other hand, has not been authorized to employ development officers on its campuses; in fact, no budget lines for campus directors of alumni affairs have yet been approved. In states where the balance of enrollments is less heavy on the public side, the influence of private college fund raising jurisdiction is evident. Even the strong fund-raising state universities espouse politics limiting their solicitation of gifts to their own alumni and immediate business affiliates in response to frequent complaints from nearby private

colleges about public college fund raising [4, p. 25].

Boston University's $1 billion campaign includes $500 million for endowment and $150 million for scholarships. Without the extra scholarship money, said President John Silber, "B.U. simply cannot hope to compete with either subsidized state schools or the much better-endowed Ivy League colleges like Harvard in attracting talented high school graduates" [8, p. 72].

Clark Kerr noted that "all institutions, within their categories and geographic regions, compete for students, for funds, for reputation" and that "private fund-raising by both public and private institutions has, in recent times, increasingly become a mechanism for competitive advantage" [48, p. 15]. At Penn State, where a major campaign was completed several years ago, plans are already well underway for the next one. David Gearhart, former senior vice president for development and university relations, said, "There's no question that Penn State will always be in a fund-raising mode. We have to be, in order to compete with our peer institutions. To stand still is in effect to take a step backward" [6, p. 24].

Barbara Taylor, director of programs and research at the Association of Governing Boards of Universities and Colleges, said, "It used to be that we had annual giving and we had occasional capital campaigns. Now the capital campaign is becoming as constant as the annual campaign has been in the past" [95, p. 10]. "We're always in a campaign," added Kendall Lewis, who recently retired as vice president for alumni relations, development, and public relations at Swarthmore College. "It's just a question of whether we're planning one, in the middle of one, or cleaning one up."

The trend is clear: colleges and universities are raising more money than ever through short-term, high-pressure, high-visibility campaigns, and this is likely to continue for the foreseeable future. Campaigns are held more often and have larger goals than in the past. Also, the use of sophisticated techniques such as prospect research and donor tracking systems has become commonplace, and the size and complexity of fund-raising staffs has greatly increased at many institutions.

In addition to the obvious goal of raising more money for their institutions, however, campaigns may also involve hidden motives. According to Matthews, "One response to the money crunch has been to undertake fund drives for staggering amounts. The size of such campaigns is often a function of prestige as well as an essential part of the annual budget" [57, p. 73]. "More boards of directors are saying, 'It's not what we can raise, but what we have to raise to beat so and so,'" explained Rick Nahm, president of Knox College [37, p. A28].

"Woe be to the fund raiser who wants to set a goal that is less than the competition's," added Gary Evans, former vice chancellor for development and university relations at the University of North Carolina at Chapel Hill. "He can find his job on the line" [3, p. A75]. And according to Wiseman, "A president in whose tenure the university does not raise more money than it did before is a president looking for a new line of work" [102, p. 6].

Terry Holcombe, vice president for development and alumni affairs at Yale, said, "For a place that's raising more than $100 million a year now, anything less than $1 billion would indicate that their plans for the future call for less rather than more money." Yale plans to celebrate its 300th anniversary in 2001, and according to Holcombe, "If we don't raise $2 billion between now and then, people here will worry" [37, p. A26].

"You can't plan a campaign today without thinking about going for a billion dollars," echoed Carol Herring, director of leadership gifts at Princeton [37, p. A25]. And Rose said many presidents feel they can never stop raising money:

> Even at universities worth hundreds of millions, or even billions, of dollars, the presidents I spoke with felt they could never stop raising money. They worried about inflation; that salaries, library, and

> maintenance costs would rise unchecked. Or, perhaps more troublesome, that they would fall behind in the race for the most up-to-date equipment, i.e., computers. But at least one college president, who declined to be quoted, thinks that colleges have enough for their current needs and beyond. 'Many of these college presidents are like squirrels, putting nuts away for the future,' he says [80, p. 22].

<u>Fund Raising as a Measure of Presidential Success</u>

According to Rose, another more personal motive driving the culture of college fund raising is that it's "a great way to be remembered" [80, p. 22]. She cited the example of Thomas Reynolds, who retired in 1989 after 20 years of service as president of Bates College. A local news article glossed over his contribution to academics, which had been plentiful, and highlighted his two successful capital campaigns.

Similarly, George M. Harmon, president of Millsaps College, defended his $140,435 salary and $27,174 benefits package (for 1990-91) by explaining that since he arrived in 1978, the endowment has increased more than tenfold, Millsaps has raised almost $50 million in two successful capital campaigns, the faculty has doubled in size, and 50% of the student body now comes from outside of Mississippi, up from 20% when he was hired [52, p. A16].

Regarding CEO pay, Pfeffer and Ross, in a study of the compensation of more than 600 college and university presidents, noted that there is a strong relationship between institutional size and executive remuneration, then stated:

> We expect resource-rich schools to pay more than resource-poor schools, other things being equal. This expectation can result from two different reasons. Resource munificence means that there is more to be divided

> among all the organization's members, and certainly the president will share in these extra rewards. It is also the case that the ability to extract resources from the environment is one important measure of an organization's effectiveness (Yuchtman and Seashore, 1967). Thus, presidents in richer schools may be compensated more highly because the very resource position of the school provides evidence of the president's effectiveness in dealing with at least one important organizational issue. This is not to say that financial performance is the only or even the most important indicator of a university's success, or that pay always is related to performance. But there is probably enough of both of these connections to argue that we should observe a relationship between financial position and pay [75, p. 81].

In another study, Whetten and Cameron found that successful presidents make an indelible impression on their campuses. According to these scholars:

> In our interviews with individuals, especially in small colleges, we have been impressed with the tendency of faculty and administrators to demarcate their institution's history into presidential eras. Frequently, when we would ask a question about campus activities during a specific period of time, before the respondents could formulate an answer, they would have to first identify who the president was at that time. Their memories were clearly indexed by presidential tenure, and their recollections of what transpired on campus during each term was strongly

> colored by their overall evaluation of the effectiveness of each president. Events that transpired during the term of an uninspiring, ineffective president were described in a bland, colorless manner. In contrast, descriptions of activities during the tenure of spirited, effective presidents were conveyed using very emotional language and with a sense of institutional pride [101, pp. 40-41].

For example, during Leon Botstein's first 17 years as president, Bard College raised more than $82 million. According to one observer, "The last 17 years [1975-1992] have so remade the college that the 'B' on the mat in front of the president's modest yellow house could easily stand for either name" [27, p. 48].

David McLaughlin, former president of Dartmouth, noted that "the success or failure of both a college and an administration is--in the short term--often judged on financial solvency. The fact that campaigns are measurable and many other achievements are not gives fund raising special, tangible significance" [61, p. 7]. Bornstein added, "[A]n ambitious and successful campaign is one of the greatest legacies a president can leave a university or college" [7, p. 202].

Derek Bok, Harvard's long-time helmsman, added that success or failure as a president is defined in part by "how much money you raise, not what you raise the money for" [49, p. 13]. And Gary Evans, former vice chancellor for development and university relations at the University of North Carolina at Chapel Hill, warned that "as long as colleges keep claiming record amounts of money raised, it's hard imagining a college ever cutting back" [36, p. A28].

Former Cornell CEO Edmund Day added the following observations:

> The most obvious and best recognized obligation of administration is to add to the institution's resources. The task of obtaining additional funds

> is, in fact, so characteristic of the role of the college and university president that he is frequently described as more of a cultured mendicant than anything else. It is safe to say that the reputation of many presidents has derived largely from their success or failure as fund-raisers.
>
> The explanation of this is relatively simple. Here is one type of accomplishment which is almost certain to provoke general acclaim. With new funds, the president can implement new undertakings and gain fresh support for his over-all program. A million dollars of new money can quiet a lot of carping criticism of any administration. It is altogether natural that any college or university administration should turn its attention increasingly to the problem of finding additional support for the work of the institution, since the administration's ability to give effect to its own constructive planning may depend largely upon the possibility of finding new financial resources [26, p. 341].

Harold Stoke offered additional insight into the continual, ongoing need for and insatiable, unquenchable nature of fund raising in higher education:

> If colleges and universities are by their nature always short of funds, the college president who gets this principle firmly in mind will save himself some psychological problems. It will help him, for example, to accept the fact that he is on a treadmill. He is destined always to approach but never to arrive at the promised land [96, p. 56].

The historic importance of fund raising to higher education has even given academic presidents in the U.S. a kind of international notoriety. In response to government initiatives to promote greater autonomy and financial independence among French universities, Georges Haddad, president of the Sorbonne, said that he had no intention of becoming a fund raiser "like presidents in the U.S." [14, p. A45].

Fund Raising as a Factor in Presidential Selection

In fact, finance is associated with the academic presidency to such an extent that fund-raising considerations permeate all aspects of the presidential selection process. For example, Tom Ingraham, president of the Association of Governing Boards of Universities and Colleges, stated, "I think the majority of boards would perceive that situation [hiring an openly gay or lesbian president] as extremely awkward for the institution, in the fund-raising role in particular" [69, p. A20]. Presidential illness [18, 40, 42, 53] and appearance [51] have also been mentioned as having an impact on fund raising.

Edward Lewis, president of St. Mary's College, noted that while opportunities for women presidents are growing, there "has been a belief that fund raising involves working the old-boy network, which cannot be done as well by women as by the typical 53-year-old male president" [34, p. D25]. William J. Bowen, vice chairman of Heidrick and Struggles, an executive search firm, added that women "are becoming more visible, holding the right chairs, and the perceived pool is much larger than it was 10 years ago" [20, p. B8].

Thompson also cited a pair of recent studies on the presidency by the American Council on Education. The first found that in 1986, 9.3% of college and university presidents in the U.S. were women, while the second found that in 1993, that number was 12%. However, of the 400 female presidents in 1993, only 11 were at major universities.

Thompson noted that "one of the main functions of a college or university president is fund-raising from alumni" [98, p. 26]. One person interviewed by Thompson was Jadwiga Sebrechts, executive director of the Women's College Coalition. According to her, a private, coeducational institution might prefer a male president because most of its graduates are men. On the other hand, a major state university might not think a woman was aggressive enough to fight for legislative appropriations.

Ronald Stead, senior associate for the Academic Search Consultation Service in Washington, D.C., was also interviewed by Thompson. According to him, "In the past few days I heard a board chairman say he thought a man would be in a better position to raise significant funds for the institution than a woman would" [98, p. 26]. Stead, a 15-year veteran of academic searches, said he hears that response less often now than he did 5 years ago.

Milley also addressed this topic in a chapter from a book on women presidents of American Association of State Colleges and Universities-member institutions. Her comments were based on 18 responses to a survey she sent to the 25 AASCU women presidents. According to her, 61% of respondents said that when they were appointed, fund raising was mentioned as one of their duties. She also reported:

> This author had hoped to begin to discover, 'Is there a difference in fund raising techniques employed by men and women presidents?' But this is not known and probably will not be for some time because presidents, and thus the chief fund raisers, have traditionally been men. Although women presidents have been on the increase, they remain a minority. In 1988, the twenty-five women presidents leading AASCU campuses represented only 7.8 percent of the total presidential population. Thus, despite the growing literature on fund raising and proliferation of material on presidents as

> chief fund raisers, there is little documentation on women presidents, let alone their role as fund raisers [67, p. 34].

The Reality of Presidential Fund Raising

However, whether candidates are male or female, the prestige and perquisites of the presidency are so enticing for many that they either fail to give serious consideration to or are simply not prepared for what will be expected and required of them in terms of fund raising, as Woodroof so dramatically documented in his study of "first-time" presidents at 36 private nonsectarian colleges and universities. For example, one rookie president stated:

> I knew there would need to be a fund-raising component to the job, but I didn't realize how urgent and intense that really was. The trustees didn't do alot [sic] to prepare me. I had a sense of going in as an educational statesman, a leader, but I realized after I got there that the financial pressures were so acute, that what the college needed from me was to meet the budget. The finances drive everything--I found that out in the first few months on the job. It dawned on me that I had over-romanticized what it was going to be like to be a president [104, pp. 174-175].

Another new president in the study shared the following comments:

> I was told by the board that there was sufficient funds to get the college through the summer. At the end of my first week on the job, the business manager came to me and said, 'We are down to only $2,000 in cash with which to operate.' Given the fact that payroll was due in less than two

> weeks, reality set in very quickly for me. I've never been that low even in my own bank account [104, p. 175].

A third president stated, "I wasn't informed of the seriousness of the cash flow problem. I didn't know until I was in office for a week that we might not make payroll in 12 days" [104, p. 175]. Finally, a fourth president related, "When I moved here, I thought I had gotten all I needed to know about the status of the institution. However, I found out later that the trustees were deeply concerned about the finances. They decided not to share that with me for fear that I would back out" [104, p. 176].

West penned a thoughtful essay on six areas of concern for presidential candidates: the board of trustees, the faculty and curriculum, the student body, staff, resources, and constituent relations. In regard to trustees, he stated:

> The prospective president should see the contribution record of each individual trustee. Most boards tell a presidential candidate that they expect him or her to raise money--a lot of money--but how much will the trustees themselves pledge toward the needed amount? Unless they are prepared to put up a substantial amount themselves--between one fourth and one third--why should they expect the president to do so, and why should anyone want to seek money on their behalf [100, p. 11]?

He also said, "A presidential candidate should obtain a copy of the last audit and should go over it carefully, preferably with an accountant who is familiar with college fund accounting and who is not connected with the college" [100, p. 12]. West added:

> Some of these questions may seem extremely blunt. Unless they are answered, however, the successful candidate may not be able to be a

> successful president. Moreover, unless the search committee is willing and able to supply satisfactory answers, its members may not understand their situation well enough to identify the person best qualified to meet its needs. Candidates should not worry about appearing too hard-nosed or demanding. If you are wanted, you are in the strongest position during the interview process that you will ever be in with the college. If you are not wanted, the quality of the answers that you receive to these questions will make that clear [100, p. 13].

Once the decision is made to accept a presidency, candidates commit themselves to care for the institution as if it were their own child, according to McIntosh:

> [I]f one is deeply involved in the college and completely committed to its progress, fund-raising ceases to be a burden. Raising money to increase teaching salaries is especially rewarding since one's efforts in this area are fundamental to the excellence of education now, and in the future. And if a new building is absolutely necessary for the health of the college, one does not resent the necessity of raising money for it any more than a father resents earning money to build a new house for his family, or to send his son through college. Once accepted in its larger framework, the task becomes exciting, and any success truly satisfying [60, p. 22].

Other presidents have used less flattering analogies to describe the presidential fund-raising responsibility. For example, Tolley related how he came to terms with fund raising early in his career during a presidency at Allegheny College:

> Given Allegheny's shaky financial status, I devoted much of my time to fund raising. For many years this was my most difficult task. I disliked it so much that it literally made me sick. One day, however, it dawned on me that 'If you can't lick 'em, join 'em.'
>
> 'This is part of my job,' I thought. 'It's a disagreeable job, but like washing dishes, making beds, or changing diapers, it needs to be done. Stop complaining about it. Stop getting sick about it. Just do it.' After I made that decision, I took fund raising in my stride. It never made me sick again [99, p. 58].

Shuster offered a somewhat more optimistic view, suggesting that presidents must acquire or cultivate a taste for fund raising as in various other activities of life:

> Despite the widespread fostering of public higher education, ours is by and large a free enterprise system, which means that the budget is never what it ought to be. Therefore the president is first of all expected to find money somewhere. This is one task he cannot hire anybody else to perform. It is an ornery business which nearly everybody finds extremely unpleasant at the outset. Here nothing helps as does a measure of success. The first check is like a first baby or a first published book. Indeed, I have come to feel that money-raising is like smoking: one's first experiments are sickening, but after a while the thing acquires a fascination quite its own. You have formed the habit. The difficulty is that no matter how much money a president extracts from people, it is never enough either in his own estimation or--what is vastly more

oppressive--in that of his colleagues [91, pp. 30-31].

In another desription by a former president, Wriston described fund raising as a balancing act that can only be learned through experience--hard experience:

> The president who gives too little time to money raising will never have a balanced budget, a salary increase for the faculty, or well-maintained buildings and grounds. The one who pours too much of his time and energy into fund accumulation will lose touch with the faculty, the curriculum, the students--and even worse, with ideas. No man can write a prescription to tell another how much is too much, how little is not enough. The balance is the fruit of experience--hard experience [106, pp. 165-167].

Payton also explained that most academics "detest" fund-raising and often treat the

fund-raising staff with "ill-concealed disdain" [73, p. 64]. Since the majority of campus CEOs advance through the academic ranks, this characterization is applicable to many presidents. Several examples of this were provided by Cook in his study of presidential fund raising. For instance, the chief development officer at a major public research university commented:

> I think very few people warm naturally to being a fund raiser, particularly among people whose careers have been in the academic world. So I would say that most approach the task rather reluctantly, and what we have been doing in our business is to try to warm the presidents up by giving the presidents some easy fund-raising successes early on and building a sense of confidence that this

> is not such a hard job after all. But most presidents are not generally extroverted, outgoing, aggressive, sales-marketing type people. They are people who have spent their careers with the life of the mind, and I don't want to say that sales and marketing and the life of the mind are mutually exclusive, but there are some differences there [23, p. 461].

A second chief development officer in Cook's study also shared this viewpoint:

> I think one of the strange things we do in academia is we take the best economist or physicist or history professor and make them president, and yet their forte and what got them noticed was their great teaching. So we take them out of their element and turn them into administrators and then fund raisers. It isn't necessarily all that logical. So you get some unevenness but you can't have a president that doesn't have academic credentials. That's the nature of the beast. So you hope the other's there. Sometimes it is and sometimes it isn't [23, p. 461].

College presidents, however, are not the only nonprofit executives who struggle with fund raising. In a national study of excellence in nonprofit organizations, Knauft, Berger, and Gray also found that "by a wide margin, the chief staff officers we surveyed considered fund raising the most pressing challenge facing their organizations in the coming three to five years. Interestingly, these executives reported that building fund-raising skills was the area where they perceived the greatest need for personal development" [50, pp. 25-26].

The Presidential Fund-Raising Role

Fund raising requires team effort and an institution's president is typically the central player on the fund-raising team. Using football as an analogy, ideally the chief development officer is the coach or player-coach, the president is the quarterback-athletic director, the offensive line is made up of the 'heavy hitters' (trustees and other powerful volunteers) who can open holes (doors), the running backs are the front-line fund-raising staff, and the ends are the deans or department heads of the various academic units [23].

As quarterback, the president is the central player in the fund-raising offense and follows instructions from the head coach (chief development officer) or offensive coordinator (campaign director). At the same time, the president also functions as the athletic director who is responsible for many programs and coaches, of which football is but one. The athletic director may also be more attuned to the external environment than the coach and may have a more intimate relationship with the institution's leadership, top conference officials, or regulatory bodies such as the NCAA or NAIA. Therefore, what usually occurs in fund raising is a blending of the philosophies and strategies of the chief development officer, the president, and a small number of powerful volunteers (trustee and campaign chairmen) [23].

Fund raising is therefore rarely a 50-50 proposition. Many development programs have a dominant personality or a person with superior skills and thus either the president, the chief development officer, or a powerful volunteer (trustee or campaign chairman) may be more or less involved in setting the overall guiding philosophy, strategy, and direction of the program depending on the unique institution, the unique personalities and abilities involved, time constraints, size and expertise of support staff, and other factors [23].

Moreover, presidents should focus their effort and attention in fund raising on two areas: 1) major gifts (although what is "major" varies from institution to institution, this generally refers to gifts of $100,000 and above), and 2) administrative leadership (e.g., policy and strategy decisions, budget and staffing concerns, selection and/or evaluation of the chief development officer, strategic planning, selling a campaign to the trustees, being involved in the selection of a fund-raising consultant, helping to decide on the timing and goal for a campaign, recruiting volunteer campaign leaders, and articulating the institutional vision) [23].

It is not surprising, therefore, that fund-raising ability and experience have become increasingly-valued presidential assets in recent years. According to Dorich, "Academic credentials and a clear understanding of how the academy works continue to be vital to aspiring presidents. But in today's uncertain times, many search committees also recognize the value of the fund-raising skills and leadership ability that come with an advancement background" [29, p. 6].

"When governing boards go hunting for presidents, it's often the candidates' fundraising, rather than academic, talents that catch the eye," added Rose [80, p. 19]. Anderson noted, "Nowadays, a president is often hired to ask for money" [1, p. 17]. And Wycliff stated, "For all academic presidents, the job more and more involves what many say is the least enjoyable activity of all: fund raising" [107, p. B7].

"Fundraising is not the only role, but it's a terribly important one in today's time," said Peggy Stock, president of Colby-Sawyer College, who estimated that she spends about 50% of her time on fund raising. "I don't know if any studies have been done but I would bet it would be very difficult, except at the very prestigious institutions, to raise money without having a president who is good at it," she added [92, pp. 28-29].

"As places look around for presidents, the premium on fund-raising ability is getting stronger and stronger," echoed George A. Brakeley, III, president of Brakeley, John Price Jones Inc., a fund-raising consulting firm. "Fund raisers know the game," explained Steven Ast, a partner in Ast/Bryant, an executive search firm. "If they've been through a capital campaign, they don't have to reinvent the wheel. Every president has to do a capital campaign now, and hiring a development vice president is an advantage" [64, p. A35].

According to Withers, in a capital campaign the president has at least six duties: 1) creating assertive board leadership in fund raising, 2) enunciating the master plan of the institution and obtaining a consensus on mission and goals, 3 using his or her time and appearances wisely; 4) meeting regularly with senior development staff to assess campaign strategy and analyze strengths and weaknesses, 5) spending considerable time in cultivating prospects for major gifts, and 6) insisting on continuity in development strategy rather than zigzagging from one approach to another [103].

Regarding the president's influence on the board, Patton had this to say:

> At most colleges and universities, the president is a member of the board of trustees. The president's involvement in fund raising sets the example for other trustees. If that involvement is positive, enthusiastic, and firmly tied to institutional priorities, trustees are likely to follow suit. If the president is indifferent to development concerns or distant from fund-raising activities, board members are likely to place a lower value on their own participation [72, p. 53].

The president must also be an optimist and encourager during a campaign:

> Every campaign, even the best, will have disappointments. The president is important also in helping the university through the difficult days. Most big campaigns last for five years or so. Inevitably, there will be slow periods when there is nothing much to report. It is then that the president

has an additional responsibility: to keep the momentum going. The president may be disappointed, but must not show it. The president must encourage the dean who has just been turned down to try another donor on another day. The trustees' attention may drift away, and the president must invite it back. The professor whose new library wing is still only a dream must be encouraged to keep the faith. Students wondering why tuition is rising, despite all the money being raised, must be patiently educated about the complex realities of university financing [33, p. 76].

Capital campaigns often require huge commitments of time and energy from presidents, and contribute to the growing stress level and rapid turnover rate associated with the position. According to G. T. Smith, "It is probably not an overstatement to suggest that no college or university can afford to have less than 60 percent of the chief executive's time dedicated to meaningful development of the institution's major constituencies" [93, p. 703].

McGoldrick added, "During noncampaign periods you should devote at least 20 percent of your time to development activities. During a campaign, that portion of your effort may need to reach 40 or 50 percent" [59, p. 167]. Brown advised presidents to "accept the fact that successful fund raising will require as much as 50 percent of your time and energy at certain times of the year" [16, p. 151]. And Foote stated, "During the height of the campaign, the president will spend as much as a third of his or her time on the campaign itself or directly related responsibilities" [33, p. 76].

At the University of Michigan, President James Duderstadt spends two thirds of his time generating resources from alumni, corporations, and the state and federal government. Cornell President Frank Rhodes is on the road four days a week wooing donors. Former Stanford President Donald Kennedy took a 3-month sabbatical from his other duties to kick off the Centennial campaign. James Holderman, former head of the University of South Carolina, spent 50% of his time raising money. And the late President James Zumberge at the University of Southern California spent 80% of his time on fund raising [82, 86, 107].

However, not all presidents are willing or able to devote this much time and energy to fund raising. According to Brecher, there are three basic types of "presidents who don't": 1) those who don't know how to raise funds and look to the chief development officer for leadership (the unable), 2) those who don't want to raise funds and assume the chief development officer will handle this unpleasant chore (the unwilling), and 3) those whose performance in fund raising is inadequate but who insist on being involved anyway (the willing but unable) [11, p. 24].

According to Del Martin, vice president of Alexander O'Neill Haas & Martin, Inc., a fund-raising consulting firm, reasons that a president may dislike asking for money include fear of rejection, lack of training, poor solicitation experience, and misplaced pride. "The non-asking president should be given proper training in how to ask and some easy experience to bolster confidence," she said [92, p. 29].

Schoenherr added that many presidents seek to avoid or minimize personal involvement in fund raising because of fear. According to him, "Presidents carry around a catalog of myths about fund-raising, and they are frightened by the thought of asking someone for a donation" [85, p. 46]. Schoenherr listed four fears: 1) the fear that others will see you as a beggar, a person with a tin cup looking for a handout; 2) the fear of being an intruder into the personal life of another, of invading their privacy; 3) the fear of rejection (probably the strongest fear), and 4) the fear of offending people by asking them for a contribution. He then explained:

> As the chief executive officer of your institution, you are responsible for its financial stability. Very few things will bolster the spirit of your institution

faster than dollars. You do not have the luxury the faculty have of dreaming dreams and letting the other guy worry about how the bills are to be paid. The dreams you dream are always tied to the pocketbook [85, pp. 45-46].

Foote added, "Presidents will enjoy fund raising in direct proportion to their enjoyment of people because ultimately a capital campaign is as complex, as fascinating, as exasperating and disappointing, as people themselves" [33, p. 78].

Richard Berendzen, former president of American University, shared both the fascination and the exasperation of fund raising. He began by describing his growing relationship with billionaire Adnan Khashoggi, an international arms dealer and philanthropist. After persuading Khashoggi to join the university's board of trustees, Berendzen introduced the need for a new campus facility--a sports and convocation center. Khashoggi ultimately funded $5 million of the $20 million cost of the 5,000-seat arena, which was named in his honor.

At the other end of the continuum, Berendzen was unusually candid in describing the frustration of working with donors who stall, change their minds, request special favors, and otherwise hinder rather than help progress:

> Why are donors so cavalier? Many--maybe even most--mislead and deceive. They ask innumerable favors. Some state directly that they will contribute, citing the amount and the date. Then they do nothing. I remind them but they do not respond. I ask them to put it in writing, but they do not reply. I ask others to approach them, as my surrogates, but they, too, get no response. I ask again where the matter stands, but I am told, 'Oh, I'm thinking about it.' And so it goes--for weeks, months, years. It is frustrating as hell!' [5, p. 171].

Payton summarized the importance of fund raising to the presidency as follows:

> For presidents of all sorts of institutions, fund raising is an inescapable part of life. In an increasing number of cases, fund-raising effectiveness is the key to the office--to both getting in and staying in. Intellectual and moral leadership seem to have yielded to the effective marshalling and management of resources. The career path to the presidency is now open to those who enter it from the development function. Like it or not (and I must say that in many respects I don't like it), fund raising is now at the center of the president's responsibilities [74, p. 33].

According to Kerr, another reason why more presidents have advancement/ development backgrounds is that applicants from traditional sources (i.e., provosts, deans, and vice presidents for academic affairs) are more reluctant to be considered:

> Conversations with individuals who have refused presidencies (sometimes repeatedly), with top academic officers on campuses (who constitute much of the pool from which presidents are drawn), with professional search personnel, and with ex-presidents indicate that the attractiveness of the presidency has deteriorated.
>
> Persons who have refused presidencies frequently note that the management of decline, which many campuses either have experienced or are likely to face, is not as attractive as the management of growth.
>
> At least half of the academic officers note that the presidency has

> become a heavily external job with more emphasis on fund raising and on public relations, and with less contact with faculty and students and academic issues. Many individuals primarily interested in the academic side of campus life believe they will be better off as a provost or a dean of the faculty or a vice president of academic affairs than as a president [47, pp. 3-4].

In a 1990 interview, Kerr explained that "very frequently the provost will make the same amount of money as the president." He also said that academic administrators have jobs which allow them "to be on campus and see their families regularly," in contrast to the frequent travel required of presidents [107, p. B7]. Maimon added, "College administrators, in contrast to their professional colleagues, are much more likely to miss their children's birthday parties. Is it any wonder that many aspire to full professorships as the pinnacle of academic success?" [15, p. 41]. According to Kerr, some academic administrators are also "able to maintain an active scholarly life," something very few presidents manage to do. Finally, Kerr stated that unlike presidents, deans, provosts, and vice presidents are "not directly on the firing line" [107, p. B7].

In addition, there are serious concerns about the impact fund raising has on presidential autonomy and independence. Former Columbia President Michael Sovern claimed that presidents today are speaking out on societal issues as much as ever, but that the "noise level" created by a media-intensive society has drowned out or reduced presidential voices to an inaudible level amid the din of numerous other credible (and incredible) voices in society [43, p. A5]. However, Sovern admitted in another interview the same year that due to the "burdens of the office," it is becoming "increasingly difficult" for presidents to get involved in off-campus issues [28, p. B7].

Sovern rejected the charge that preoccupation with fund raising is responsible for the alleged abdication of social leadership by presidents, and said that he had used his office as a "bully pulpit" to speak out on apartheid and divestiture in South Africa, human rights violations, the Solidarity movement in Poland, and free-speech issues [43, p. A5].

However, fund raising is the most frequently-cited presidential handicap, and many observers disagree with Sovern. Vartan Gregorian, president of Brown University, stated, "You're frightened to take a stand as an educator because you are afraid that the Federal or state authorities, or your private benefactors, may retaliate against your institution by not giving money" [28, p. B7].

Ernest Boyer, president of the Carnegie Foundation for the Advancement of Teaching, said, "The more dependent you are on the gifts and bequests of others, the more advantageous it is to not get caught up in larger debates that might be viewed as divisive and contentious" [82, p. 54]. He added:

> The job has been powerfully diminished, and I think the nation is the loser. We need people who are able to interpret historically, ethically and socially the issues of the day. But because [presidents] are under such pressure financially, it becomes risky to be prophetic. There is a hazard in offending [32, p. 3D; 43, p. A4].

Similarly, Derek Bok, former Harvard head, commented, "Today, university leaders are largely silent, too heavily burdened with raising funds and administering their huge institutions. There is no one able to communicate a compelling vision of what we are trying to accomplish for our students" [68, p. A18].

However, F. J. Kelly explained that the proliferation of state higher education coordinating boards, national education associations, and university systems in the last 30 years has removed the need (and perhaps the opportunity) for individual presidents to serve as spokesmen on national issues [45]. Further, presidents of all ages have needed an abundant supply of courage and fortitude to resist the special interests of powerful constituencies or the mob mentality of popular opinion.

Finally, increased media attention and its attendant capability of magnifying the impact of any remark through a network of instantaneous global communication are certainly factors inhibiting presidential candor, as is a heightened social consciousness--with its attendant litigious and politically-charged climate--regarding comments which focus or touch on race, gender, sexual orientation, religious orientation, age, health, and other differences among individuals and groups of individuals.

Conclusion

During the last 20 years--or the Era of Uncertainty--the level of intensity, the sense of urgency, and the technical sophistication associated with fund raising dramatically increased on the nation's campuses and among nonprofits in general. Fund raising became a definite expectation for every college president, and campaigns became an ongoing way of life on the nation's campuses. Public colleges and universities began development programs *en masse* and launched aggressive, bold campaigns to rival their private counterparts, thus violating a tacit, long-standing agreement.

During the past 20 years, the vast majority of both public and private institutions increased their commitment to private fund raising and enlarged their development staffs and budgets. Nevertheless, academic chief executives must devote a significant portion of their time to fund-raising activities. However, many presidents have difficulty adjusting to their roles as fund raisers.

Fund raising and financial affairs in general are among the more high profile duties/endeavors of a president, and among the skills/attributes most prized by trustees as well as some faculty and alumni, and most widely reported by the media. Due to the increasing complexity of fund raising, presidents and other university personnel must have greater familiarity with tax laws, planned giving, estate planning, and other technical aspects of philanthropy.

Fund-raising considerations play a major part in the presidential selection process as well as the length of time incumbents remain in office. There has been a slight trend in recent years toward hiring presidents with a background in development or business, although promotion from within academic ranks is still the norm.

Ideally, presidents should spend their time and effort in fund raising on the cultivation and solicitation of major gifts and in providing administrative leadership. Presidents should also emphasize a team approach to fund raising in which they play the dual roles of quarterback and athletic director.

As a result of these trends, considerably more critical attention and media coverage has been given to the role of college and university presidents in fund raising. The strident tones and sounds of alarm which characterize this writing certainly have some basis in fact and indicate major shifts in the economy, in higher education, and in the roles of presidents and chief development officers. However, the deeper truth is that leadership has been a scarce commodity in great demand in every era and that presidents have always been called upon to provide this leadership and to preserve intact or move forward their institutions in the midst of difficult circumstances and formidable challenges.

Presidents of each era have faced different circumstances and challenges than their predecessors, but two constants which have spanned the years have been the need for leadership and the need for resources. May the presidents of today and tomorrow find the courage, strength, and wisdom to provide both in sufficient amounts.

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