"Toward a Theory of Fund Raising in Higher Education"

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Abstract

Fund raising has played a prominent role in the history of American higher education and long been a central function of the academic presidency. Today fund raising provides support for more areas of higher education than ever before, and academic chief executives are increasingly expected or required to take an active role in procuring and stewarding private gifts for their institutions. Our research is the first study of this phenomenon that is both national in scope and theory-generating. The key variables or prerequisites which determine fund-raising outcomes were identified and theoretical models were formulated which explain, respectively, the fund-raising process and presidential fund raising in higher education.

Introduction

In recent years capital campaigns and other fund-raising drives have become more frequent, more elaborate and sophisticated, longer in duration, and larger in size as U.S. colleges and universities have struggled to make ends meet. One result has been that academic chief executives are increasingly expected and often required to take an active role in fund raising and resource development. However, this important role has received limited scholarly or critical interest and, for the most part, remains misunderstood and ill-defined. Therefore, the purpose of a recent national study we conducted was to enhance understanding of the presidential role in fund raising and related processes.

The primary conclusions of our study were: 1) fund raising is a team effort, 2) an institution's president is typically the central player on the fund-raising team, 3) presidents should focus their effort and attention in fund raising on major gifts and administrative leadership, 4) academic quality and institutional prestige are of critical importance in higher education fund raising, and 5) fund raising is institution-specific, and more importantly, context- or situation-specific.

Review of Literature

Both fund raising and executive leadership are complex phenomena of central importance to higher education and other nonprofit organizations. For the most part, however, the presidential fund-raising role has lacked historical perspective and rigorous scientific inquiry, which has led to a profusion of atheoretical literature by practitioners, consultants, and journalists. Further, the vast majority of the literature on educational fund raising has been published during the last 20 years, and due to a preoccupation with fund-raising methodology, donor motivation and economic conditions in higher education, has contributed to the false and widely-held impression that educational fund raising in general and presidential fund raising in particular are new or at least recent phenomena. It is true, however, that fund-raising programs in *public* higher education first began to appear around 1975, with notable exceptions such as Cornell University, the University of Michigan, and Indiana University.

According to numerous scholars, the earliest example of educational philanthropy appears to be the benefactions associated with the Academy of Socrates and Plato . The Greek philanthropist Cimon helped to finance the Academy but Plato, through an endowment of property, also provided income which continued for some 900 years (Bakrow 1961; Crawford 1976; Cowley 1980; Fisher 1989b; Brittingham and Pezzullo 1990; Schulze 1991). Alexander the Great provided funds for a vast library in Alexandria, Egypt during the Fourth Century B.C. and is said to have financed the Lyceum of Aristotle to such an extent that at one time Aristotle had a thousand men scattered throughout Asia, Egypt, and Greece, seeking data for his writings on natural history (Marts 1953).

In regard to these early educational endeavors, Cramer also observed:

> Throughout most of the history of education, the academic head of each institution also had the responsibility for providing its financial support. Gibson noted this tendency even in the academies of early Greece when he reported, 'The academies were not corporate entities, but were proprietary entities in which each scholarch named his own successor who was to be responsible for the institution and its support' (1966, 49-50).

Beyond these few scant references, the literature is largely silent regarding the early record of educational philanthropy until the rise of medieval universities in Europe.

Exceptions such as cathedral schools operated by the Catholic Church, court schools sponsored by a few enlightened rulers, and private tutors employed by the rich were designed to accommodate only a small number of pupils from the elite class of society while the masses were left to their own devices or relied on vocational training available through guilds, apprenticeship, or indenture (Schachner [1938] 1962).

According to Miller, collegiate fund raising began in the Twelfth Century:

> Fund raising for higher education can be traced directly to the opening of the medieval universities in twelfth century Europe (Haskins, 1957). As these institutions opened for the first time and matured, college founders were forced to take measures to secure the money and resources necessary for the college's operation, such as living arrangements for students, book acquisitions, and faculty incentives (Rashdall, 1936). In order to accomplish this early fund raising, the college founders and 'president' [i.e., rector, principal, master, etc.] solicited businessmen, merchants, and other college supporters for cash and in-kind contributions. The concept of the chief college faculty member being responsible for fund raising was transported to the Colonial Colleges in New England, and was common at institutions such as the College at Cambridg [sic] (later Harvard) where head faculty members solicited, in person, gifts of brick, mortar, food, books, and cash and other valuables (1991, 4).

At Bologna and several other medieval universities, a rector or rectors were elected for two-year terms to enforce statutes, decide disputes, negotiate with city officials, preside at ceremonies, and levy and collect fines. These rectors were student clerks and only the wealthiest could sustain the expense associated with the position since rectors were expected to live in grand style and entertain lavishly in order to uphold the honor of the University and present a favorable impression. At the University of Paris, Oxford, and Cambridge, wealthy landowners and members of the nobility began to establish permanent endowments for individual colleges, which in turn became loosely affiliated as universities (Schachner [1938] 1962).

Collegiate fund raising in America began in 1640 with Henry Dunster, first president of Harvard College, and has continued unabated to the present (Cook, 1994b). A pattern of amalgamized, shoestring financing began with the colonial colleges (McAnear 1952, 1955; Curti and Nash 1965) and although many institutions now have at least some level of permanent endowment, often such resources are inadequate to provide for their needs and/or aspirations.

Educational fund raising has evolved over the centuries with presidents assisted at various times by financial agents, trustees, senior faculty, treasurers, alumni secretaries, and development directors (Stover 1930). Fund raising should have been the responsibility of governing boards, but since trustees are part-time volunteers--whether elected or appointed--with other interests, they have always required executive leadership to inspire, encourage, uplift, honor, and thank them, hold them accountable, and earn their confidence, trust, and respect.

Fund raising came of age at the beginning of the 20th century with the development of the intensive campaign and its accompanying techniques. Following World War I, the fund-raising consultant emerged (Cutlip 1965). A handful of universities employed development officers beginning in the 1920s, but most fund raising was still done by the president and a variety of assistants (Flack 1932). In the following decade, a few pioneering institutions appointed a vice president to coordinate the functions of fund raising, public relations, and alumni affairs (Jacobson 1990).

Following World War II, as enrollments surged and campuses expanded, many colleges and universities found it advantageous to employ their own fund-raising staffs. In order to discuss possible remedies for the overburdening of the college president, a historic 3-day meeting of some 70-odd college presidents, trustees, advancement officers, and representatives from business, industry, and professional fund raising and public relations organizations was held Feb. 27-March 1, 1958 at the Greenbrier Hotel in White Sulphur Springs, West Virginia. Underwritten by the Ford Foundation and co-sponsored by the American Alumni Council and the American College Public Relations Association, this came to be known as the Greenbrier Conference, and its subsequent findings as the Greenbrier Report. Richards and Sherratt have called this "the most significant advancement document of the decade" (1981, p. 11).

The Greenbrier Report recommended that the functions of public relations, fund raising, and alumni relations be integrated under the umbrella of institutional advancement, with a coordinating officer in charge, usually a vice president with status equal to chief administrators in charge of business affairs, student affairs, and academic affairs (Reck 1976).

In 1974 the American Alumni Council and the American College Public Relations Association were merged to form the Council for Advancement and Support of Education. This organization serves as the primary professional society for all areas of institutional advancement, although many members also belong to related groups such as the Public Relations Society of America, International Association of Business

Communicators, the National Society of Fund Raising Executives, and the Association for Healthcare Philanthropy (Richards and Sherratt 1981).

Fund raising has grown more sophisticated and reached new heights in recent years, with billion-dollar campaigns planned by specialized staffs equipped with the latest computer technology and multi-million-dollar budgets. Presidents, however, are still intimately involved in the success or failure of major institution-wide fund-raising efforts, and historically have concentrated their efforts on cultivating and soliciting major gifts, although in earlier periods and in certain types of institutions, presidents have also given attention to smaller gifts as well (Panas 1984; Winship 1984; Winfree 1989; Altizer 1992).

Presidents also provide fund-raising leadership in many other ways for their institutions, although primary responsibility for this function usually resides with a vice president or other senior administrator. Nevertheless, presidents are involved in policy formulation, vision, strategic planning, case formulation, timing and size of campaigns, recruitment of volunteer campaign leadership, involving the campus leadership in long-term planning and needs assessment, uniting various constituencies behind the campaign, and motivating and inspiring the trustees, staff, and volunteers (Francis 1975; Kohr 1977; Cowley 1980; Whittier 1980; West 1983; Hardin 1984; Fisher 1985; Foote 1986; Smith 1986; Withers 1986; Brown 1988; Hesburgh 1988; Slinker 1988; Bornstein 1989; Fisher 1989a; McGoldrick 1989; Dowden 1990; Drucker 1990; Flawn 1990; Howe 1991; Rodriguez 1991; Skelly 1991; Boardman 1993).

It is obvious from the review of literature that academic CEOs have been involved in raising money for their institutions in every historical period, and that this role is not of recent origin, as some have implied. It is also obvious that, despite the advent of fund-raising consultants and professional development staffs, the presidential fund-raising role has not diminished in importance. The history of educational philanthropy and the history of the academic presidency are thus intertwined to a considerable extent (Cook 1994b).

Further, the role of academic chief executives in fund raising has long been neglected as a topic of scholarly research, and in fact, the first formal study in this area was completed during 1988 (Hurtubise) and the first book on this subject was published in 1989 (Fisher and Quehl). Similarly, fund raising has, until recently, been neglected as a topic of serious inquiry, with most of the research in this area having been conducted during the last 20 years. Moreover, fund raising as a field of study has suffered from a lack of theoretical perspective, and it was not until 1991 that this was addressed systematically by K. S. Kelly.

The topic of presidential fund raising thus remains fertile ground for scientific inquiry and our study sought to contribute to the growing body of research on fund raising and the academic presidency. A discussion of the research design and methodology for the study follows.

Methodology

Our study was qualitative in nature and utilized an embedded multiple case study design, with university presidents as the primary unit of analysis and both fund raising and comprehensive campaigns as embedded units of analysis. Following an extensive literature review, data collection occurred over a two-year period and included interviews with 50 academic leaders as well as analyses of selected documents such as campaign case statements and presidential vitas.

The central purpose of our study was to construct a theoretical model or models of presidential fund raising using the grounded theory approach of discovery, development, and provisional verification arising from systematic data collection and content analysis. Emphasis was placed on interpreting and adequately describing a central process or system, and emerging data were allowed to "speak" rather than being forced into a preconceived theoretical mold.

A pilot study was conducted during 1992-93 in which the presidents of 10 Texas universities (five private, five public) were interviewed. The interviews were recorded and transcribed, then analyzed using grounded theory methodology. A total of 70 themes were identified and after sequential analysis using open coding, axial coding, and selective coding, it was determined that data from four of the themes provided the elements for a preliminary model of presidential fund raising. Theoretical scanning was then used to flesh out the details of this model, which was patterned after the Paradigm Model described by Strauss and Corbin (1990).

During 1993-94, interviews were conducted with 20 respondents from a national sample of 62 presidents and former presidents at institutions which had recently conducted or were conducting a comprehensive campaign for $100 million or more. In addition, interviews were conducted with a 20-member panel of experts composed of nine chief development officers, nine presidents or former presidents, and several fund-raising consultants. Documents such as presidential vitas and campaign case statements were also analyzed, and an extensive literature review was conducted.

A modified version of the data analysis process used in the pilot study was followed, beginning with the identification of specific themes through open coding and proceeding to theoretical sampling in order to test and refine the preliminary model of presidential fund raising. Sampling was continued until theoretical saturation was reached, at which point cases deviating from the general pattern were investigated further. Once such outlying cases were reconciled, analysis was discontinued.

Results

The review of literature and comments from study participants indicated that certain key variables or prerequisites determine fund-raising outcomes, that fund raising is based on social exchange processes, and that fund raising is carried on within the context of four types of forces (see Table 1, Figures 1 and 2, respectively).

1. Leadership (of president, trustees, deans, volunteers, staff, and other friends)

   This subsumes a host of related variables such as willingness/desire to be involved in fund raising, skill/ability/aptitude in fund raising (salesmanship), effort, commitment, integrity, effective management of the institution, fiscal viability/vitality of institution, effective stewardship of resources, momentum, effective planning, donor confidence, and provision of appropriate gratitude and recognition for earlier donations.

2. Financial capacity/capability of constituency (wealth of donor base)

3. Clarity and strength of institutional mission

4. Personal relationship between donors and someone associated with the institution

5. Involvement of donors in the life of the institution

6. Prestige/reputation/image (perceived quality and strength of academic programs)

7. History/age/maturity/consistency/tradition of both the institution and the advancement program

   This includes such things as breadth and scope of academic programs, appropriate policies and support structures, adequate budgets and staff, established habits and patterns of giving, and continuity from one president to the next, one chief development officer to the next, and one year to the next in terms of overall quality

8. Informed and committed constituency (effective program of frequent, two-way communication between institution and donors)

9. Donor predisposition to give (philanthropic impulse in society)

While this refers more generally to the religious heritage of the nation and the historical tendency toward forming voluntary associations, this also acknowledges that there are regional as well as community variations in willingness to give, capacity to give, and established traditions of philanthropy

10. Continued public confidence in (the value and integrity of) higher education as well as the nonprofit sector generally

11. State of the economy/nation

12. Tax policy (federal and state laws encouraging or discouraging philanthropy)

Table 1. The key variables or prerequisites for sustained fund raising in institutions of higher education.

Table 1 is not a weighted ranking or hierarchy since the individual elements were ordered based on the literature review and comments from study participants. Each element is therefore important for sustained fund-raising effectiveness and the absence or dilution of any single element or elements reduces the overall impact of the others.

However, few if any programs enjoy the luxury of being strong in all twelve prerequisites at any one time, particularly since items 9 through 12 are beyond the control of individual institutions. Fortunately, as Duronio and Loessin (1991) indicated, institutions can experience a measure or degree of fund-raising "success" under less than ideal or perfect conditions. (In fact, of the sixteen variables they measured, the 'successful' institutions in their study averaged being strong in only eight of them.)

Similarly, in our study, all of the institutions exhibited some measure of success in fund raising, and even the institutions raising the least amounts of money were preparing to launch fairly substantial comprehensive campaigns at the time their presidents were interviewed. However, 'effectiveness' differs from 'success' since it includes capability and potential as well as dollar totals. Moreover, several of the institutions in our study had reached or surpassed their goals in campaigns for $100 million or more despite having presidents who did not enjoy or were not predisposed toward fund raising. Thus, the focus of Table 1 is on sustained effectiveness rather than success in fund raising.

Table 1 is linked to Figure 1 as the outer level of Circles E and H, or Short-term and Long-term Donor Response. It is also linked with Figure 2 since the top dozen prerequisites for sustained fund-raising effectiveness are made up primarily of institutional and environmental variables/factors. Certain aspects of leadership (such as salesmanship, integrity, and willingness/desire to be involved in fund raising) fall within the personal forces category while other aspects of leadership (such as effective management, stewardship, and donor recognition) are more institutional in nature.

Figure 1 depicts the fund-raising process at colleges and universities, and focuses on exchange processes and relationships between donors and various institutional representatives. At the core of social exchange theory lies the concept of *interdependence,* both of individuals and organizations. According to Pfeffer and Salancik, "Interdependence is a situation in which another has the discretion [power] to take actions which affect the focal organization's [or person's] interests" (1978, 145). Similarly, Kelly stated, "[F]und raising predominantly involves a social exchange relationship between a charitable organization and a donor, in which the power of each relative to the other determines the outcome of the exchange" (1991, 199).

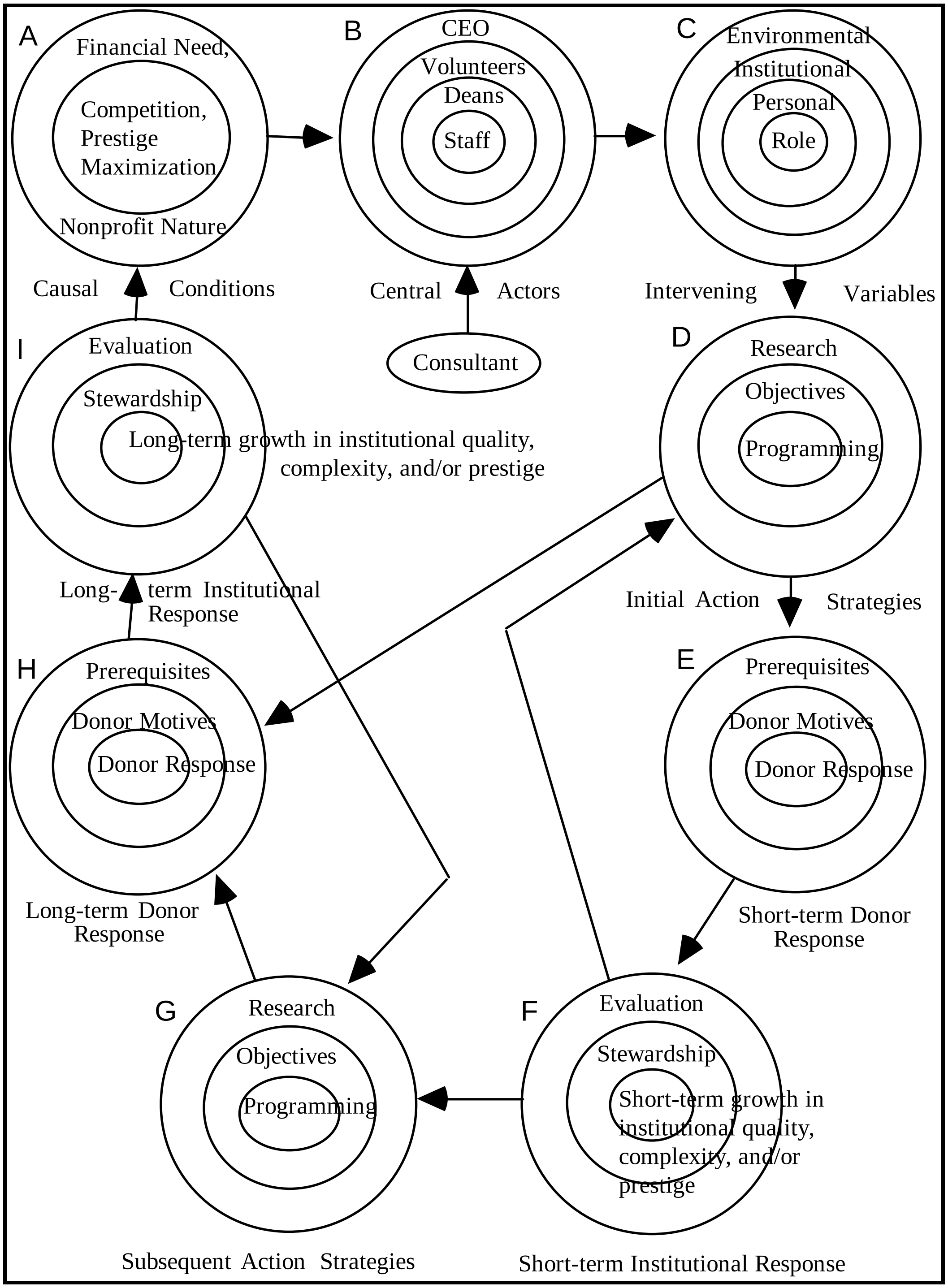

Figure 1. Social exchange model of fund raising in higher education.

Figure 1 consists of a series of concentric circles and indicates that educational fund raising is driven by two forces: a) recurrent, continuous financial need due to the nonprofit nature of higher education, and b) competition from other nonprofits, including other colleges and universities, thus reinforcing a tendency toward prestige maximization.

Regarding the first pressure point, Harvard President Neil Rudenstine explained, "In a sense, everything we do loses money. That's the nature of a nonprofit institution," (Flint 1992, D1). As for the second, Clark Kerr stated, "[A]ll institutions, within their categories and geographical regions, compete for students, for funds, for reputation. It is, overall, the most competitive system of higher education in the world. Private fund-raising by both public and private institutions has, in recent times, increasingly become a mechanism for competitive advantage" (1991, 15).

This competition occurs primarily among colleges and universities of the same basic type (those serving the same market or filling the same niche) but there is also competition between educational institutions and other high status nonprofits such as museums, hospitals, and orchestras for prestige, major gifts, board members, and other scarce, valuable resources and commodities. As a result, institutions of higher education tend to follow a strategy of prestige maximization, although this is less generally true of some institutional types such as community colleges and of institutions with low quality and few resources.

As Figure 1 indicates, the Central Actors (Circle B) in academic fund raising are the chief executive officer (usually titled president), volunteers (including trustees), deans, and fund-raising staff (including the chief development officer). All of these positions are subject to the influence of four types of intervening variables or forces: environmental, institutional, personal, and role. Various of these actors (and others as appropriate, such as consultants, faculty members, and the provost) are involved in Initial

Action Strategies (Circle D) such as policy formulation, prospect research, feasibility study, program development, staff training, budget analysis, internal needs assessment, strategic planning, case development, leadership recruitment, communication and public relations efforts, special events, moves management, cultivation activities, and solicitation.

Initial strategies normally focus on smaller, annual gifts with most donor prospects. These prospects then respond in one of several different ways. They may give no response, as in a direct mail letter which gets tossed in the trash can or a call from the alumni phonathon which is taken on the answering machine and not returned. Or if such a call is answered, or a face-to-face request is made, the response may be postponement or avoidance, as in 'I'll have to think about it.'

Obviously, some prospects respond negatively to such appeals and requests by choosing not to contribute, while other prospects make a donation for various reasons. Typically for a short-term response, donors will not be as concerned with institutional prerequisites as they are for a long-term response since they are not investing as much. However, in some cases, first-time donors will make a major gift--either in cash or capital assets, or through a bequest. This type of response is represented by the arrow going from Circle D to Circle H. Such a gift may originate through the donor's own initiative or in response to a specific proposal put forth by the institution.

Other first-time donors may choose to give at the same level and frequency (i.e., a small annual gift) on a repeating basis and may never mature as a donor for a particular institution (most people who are philanthropic give to more than one organization) by advancing to higher giving levels. Such donor behavior forms a type of loop represented by the arrow going from Circle F to Circle D.

However, the pattern of behavior which colleges and universities try to encourage is to move donors from one level to the next in terms of the size of their gifts and the extent of their involvement in and commitment to the organization/ institution. This is represented by the step-wise progression from Circle D to Circle I, and to encourage this donor development or progression a common feature of most fund-raising programs is the existence of various giving "clubs" representing specific dollar levels.

Another loop is represented by the arrow going from Circle I to Circle G. This is the case of the donor who provides major gifts on a repeat or periodic basis, either spontaneously or in response to individualized appeals. If followed to its logical conclusion, such a pattern of behavior may culminate in a bequest or testamentary gift which will be the donor's ultimate expression of commitment to the institution.

A final type of donor response is not represented in Figure 1--the rare case where an unknown or unsolicited donor initiates a gift. Such a donor may mail a check to the president or the development office, schedule an appointment to obtain information and/or to discuss his or her interest in making a gift or funding a certain area or activity, or have a trusted advisor such as an accountant or attorney contact the institution on his or her behalf. And of course, some donors bequeath their estate or a portion thereof to an institution which has no inkling that it is to be the recipient of such largesse until notified by an attorney or other executor upon the death of the benefactor(s).

Obviously, there are a number of variations for each type of donor response, but the primary purpose of Figure 1 is to illustrate fund raising from an institutional perspective and to document the systematic and cyclical nature of the fund-raising process. In that regard, one president who was interviewed for our study commented, "The idea of the university president raising money is something that if you haven't done it, tends to be a strange concept and maybe a bit of a foreign concept; but once you get into doing it, you begin to see how the whole system works" (quoted in Cook, 1994a).

This same president also explained the social exchange on which fund raising rests:

> Really to me fund raising is obviously trying to get some money to advance the purposes of the university, but it goes beyond that. There are people who give to universities and in a very real way benefit from the giving. So really what you're trying to do is to connect the needs of the university to the interests and the needs of potential donors, and when you do that, everybody wins (quoted in Cook, 1994a).

Finally, Figure 2 seeks to provide a more in-depth, detailed, and integrated explanation of presidential fund raising than the general context offered in Circles B and C of Figure 1. This amplified model shows that presidential fund raising is a developmental process with different decision or action points and with four types of intervening variables or forces impacting presidents at each stage in the process.

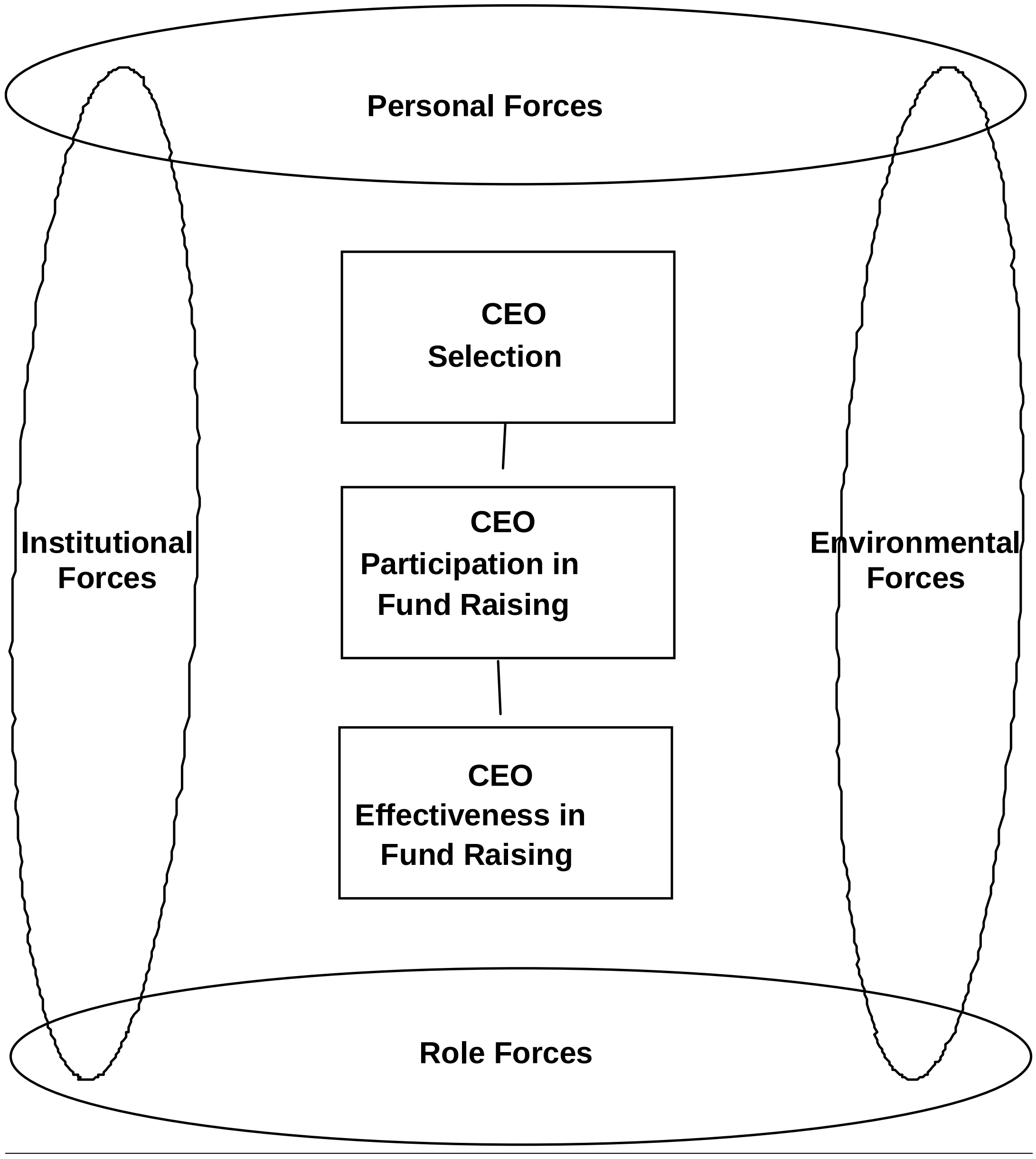

Figure 2. Four forces model of presidential fund raising in higher education.

To understand this model, it is necessary to consider each decision or action point separately. First, it is obviously necessary for an individual to be selected as the CEO (president or chancellor) of a college or university. In accepting this position, an individual brings with him or her established habits, preferences, leadership styles, personality traits, administrative and educational experiences, needs, attitudes, values, beliefs, and interpersonal skills, among other things.

This new CEO also carries with him or her certain self-imposed or self-created role expectations for the position. In addition, others (role senders) both inside and outside the organization have role expectations associated with the presidency as well. The CEO also inherits established traditions, history, culture, norms, sanctions, taboos, rituals, rewards, and other aspects of organizational life since an institution is a complex and dynamic social organism and not a static and lifeless machine. Institutional forces also include wealth, constituencies, capabilities, strengths and weaknesses, market position, size, maturity, prestige, and quality of the governing board, student body, faculty, and alumni.

Finally, the new CEO inherits environmental conditions such as capacity of the donor base; wealth and philanthropic tradition of the local community, region, and state; proclivity of the surrounding area to natural disasters; unemployment rate; inflation rate; state of the economy; federal tax policy; competition from other nonprofits; public opinion toward higher education, etc.

These four forces interact to produce the CEO's level of participation in fund raising, which is the next step in the model. Presidential participation can be viewed as a continuum, with one extreme being no participation in fund raising, and the other extreme being full or total participation in fund raising. However, very few presidents operate or function at either extreme. Instead, the vast majority fall somewhere between these polar opposites.

One reason for these different levels of participation is that typically one of the four forces will dominate the others, and this will vary from situation to situation. For example, institutional forces may be dominant or uppermost at elite, prestigious institutions, while institutions of lesser quality and prestige may be more reliant upon personal forces to stimulate fund raising.

For institutions which have lagged behind in or neglected fund raising in the past, governing boards may communicate an expectation that fund raising become a major or at least an increased emphasis of the position, and this sent role may have a strong impact on the person selected to fill the office. And in the case of the Great Depression, the Arab Oil Embargo, changes in federal tax laws, or a natural disaster such as an earthquake, fire, flood, or tornado that damages a campus, environmental forces clearly can have a strong or even overwhelming influence which can serve either to impede or encourage fund raising.

In reality, all four forces exert differing levels of influence on presidents and thus affect presidential decision-making and behavior in varying degrees. Presidents must therefore strive to develop a "big picture" or integrated view of these forces in order to harness the fund-raising potential of their institutions and to maximize their own fund-raising effectiveness.

As a president continues in office, these forces produce certain changes in the incumbent which impact his or her fund-raising effectiveness. For example, over time role forces exert greater influence in the sense that presidents with longer tenure are more apt to be aware of, understand, and accept their responsibilities regarding fund raising. In support of this, Dyson and Kirkman (1989) reported that the percentage of time presidents of America's Best Colleges spent on fund raising and external relations increased with lengthened tenure.

Over time, presidents' commitment to their institutions also increases, their relationships with wealthy individuals deepen, and their circle of friends and acquaintances widens. For example, one CEO interviewed for our study said, "I know I was a lot more effective for [name of university] in my eighth year there than I was in my third, probably exponentially so. Now that I'm in my sixth year at [name of institution], I'm able to do things with people and to make requests and have built relationships that would have been unthinkable in the first or second year " (quoted in Cook 1994a).

In summary, presidents both bring with them and inherit certain realities which interact to determine *how much* time and energy they spend on fund raising (their level of participation), and *on which* parts of the fund-raising process and program they focus their efforts and attention (their priorities). These same forces also determine *how well* presidents will perform in fund raising (their effectiveness), so there is a multiple effect although the strength of each force changes over time and collectively the four forces change presidents over time as well.

Implications

Our study presents a number of implications. First, although the president of an academic institution is typically the central player on the fund-raising team, presidents have a limited number of cards they can play with donor prospects. Included in this 'presidential hand' are the following: 1) the stature of the presidential office or position, 2) the quality and prestige of the institution being represented, 3) the importance of higher education to society, 4) interpersonal skills (sales ability, human relations skills including the ability to listen and basic courtesy and respect, and the ability to articulate mission and vision), 5) appeals to donor motives, 6) the strength of relationship between the donor and the institution or between the donor and institutional representatives, and 7) the stature and prestige of members of the solicitation team.

Of these, it depends on individual donors as to which is the most powerful or important, but genuine quality is obviously a fundamental part of the fund-raising mix and the implication for presidents is that they must make sure they have something of real substance to sell to donors, whether it is a commitment to maintain quality or a commitment to achieve quality. In addition, presidents must have a sense of what is possible and desirable for their institutions, and this can come only through strategic planning in consultation with many others both internal and external to the campus (e.g., faculty, staff, alumni, trustees, students, community leaders).

Second, fund raising should be thought of and studied more as a team effort than as the responsibility of any one person or position. Similarly, fund raising should be thought of and studied as a dynamic process rather than as a set of rigid rules or a series of static steps. The subtlety and complexity inherent in the fund-raising process can only be fully appreciated as a dynamic group activity involving a number of interpersonal relationships, role transactions, and social exchanges.

Third, although basic aspects of fund raising--such as types of programs and giving vehicles, methods of cultivation and/or solicitation, prospect research, and other technical aspects--are transferable from one institution to another, fund raising is situation-specific and can only be fully understood in terms of a particular context. Colleges and universities differ significantly according to institutional type, but there is also considerable variation between institutions of the same type. Differences in culture, history, tradition, maturity, mission, number of alumni, capacity of the donor base, prestige, academic quality, commitment, effort, leadership style and sales ability of the president and chief development officer, development budget, staff size and expertise, location, support of the local community, etc. play a critical role in fund-raising outcomes, and therefore results at one institution are not automatically replicable at another institution. However, the chances of such replication are obviously increased among programs and institutions of similar quality, prestige, maturity, mission, and tradition.

Finally, it is perhaps more accurate to speak of fund-raising effectiveness rather than fund-raising success. The reality, however, is that both are important. Success is probably an easier concept to grasp and to quantify and fits more readily within a short-term time frame, which is where most fund raisers and presidents have to operate. But on the other hand, the long-term stability, growth, and maturity of an organization's development program are dependent upon variables and forces which may have little to do with a particular comprehensive campaign or annual fund drive (e.g., personnel decisions involving the hiring of a CEO or CDO which are predicated on political reasons such as returning a favor, having the right connections; deciding to offer a new academic program in return for a corporate or civic contribution; a temporary downturn in the economy; a fire or flood which damages the campus, etc.).

Effectiveness emphasizes performance relative to fund-raising potential given present capabilities and realities, while success emphasizes performance relative to a predetermined goal in a predetermined time frame. Therefore, fund raisers and presidents need to have both a short-term and a long-term agenda for their institutions. The concept of effectiveness also carries with it a broader perspective on fund raising and encourages more focus and attention on basic prerequisites which must usually be in place before donors will consider making a major or ultimate gift to an institution.

Conclusion

The models we constructed from our data break important new ground in enhancing an understanding of educational fund raising in general and presidential fund raising in particular, and should be of interest and benefit to practitioners and scholars. Table 1 provides a comprehensive guideline to decision makers such as presidents, vice presidents for development, and governing boards regarding the key variables or prerequisites for sustained effectiveness in fund raising. While institutions vary widely in their individual preparedness in these areas, this list nonetheless provides administrators with a tool to assess the relative *strengths* and *weaknesses* of their institutions regarding fund-raising potential and capability. It also offers a snapshot of those considerations that are important to major donors and major donor prospects.

Similarly, Figure 1 provides an overview of the fund-raising *process* at institutions of higher education. It thus focuses on a general pattern which is dynamic and changing rather than a series of discrete events which are static and predictable. Further, it portrays fund raising from an institutional and systems perspective, and depicts fund raising as a social exchange which occurs between donors and institutions. The scope and complexity of such a system are enormous, especially when interaction effects are considered.

Finally, Figure 2 focuses on presidential fund raising. In this model, intervening variables include environmental, institutional, role, and personal forces. These forces interact to determine who is selected as an institution's CEO, the extent and direction of the CEO's involvement in fund raising, and the effectiveness of the CEO in fund raising. The same four forces also impact other key players on the fund-raising team such as deans, trustees and other volunteers, and senior members of the fund-raising staff, including the Chief Development Officer. These models may have application to other types of nonprofit organizations and executives as well, but that will need to be determined by future research.

Additional studies would be helpful in testing the reliability of the theoretical models presented in our study. One such study would be to replicate the present study in a different type of nonprofit setting such as hospitals, art museums, symphony orchestras, health and human service agencies, etc. to determine the role of CEOs in fund raising. A comparison study in which university presidents are studied alongside other types of nonprofit executives would also be useful.

Replication of this study at institutions which have conducted or are conducting comprehensive campaigns for less than $100 million would also be useful for comparison purposes to see if presidential attitudes and behaviors regarding fund raising vary significantly from those reported in this study. A few of the CEOs on the panel of experts and several of the CEOs in the pilot study were involved in campaigns for less than $100 million, but for the most part these were either at high-prestige institutions or were active in CASE. A separate study is therefore needed.

Similarly, a stratified sample of institutions could also be studied. This could include one group of presidents at institutions with mature fund-raising programs and a high level of annual total giving matched against a second group of presidents at institutions with less effective fund-raising programs and a lower level of annual total giving. The main caveat for this type of study is that all of the institutions should be of the same basic type (i.e., Carnegie or Council for Aid to Education classification) in order to limit the effects of other variables related to size and mission.

Other types of basic qualitative studies on educational fund raising are also needed which incorporate a holistic focus and acknowledge the complexity of the fund-raising process, the multiplicity of forces and variables involved, and the importance of situational context. Finally, additional studies are needed which seek to generate, construct, apply, and/or synthesize theories that explain or describe higher education fund raising.

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