

Higher Education: Scrambling for the Philanthropic Dollar

Borrowing a phrase from William James, the Princeton *Alumni Weekly*, in chronicling Princeton's successful \$53-million campaign of a few years ago, suggested humorously that raising money for higher education might be considered "the moral equivalent of war." The generosity of those who give and the energy of those who solicit were likened to the qualities which James said were mobilized and mispent in war. The analogy, if a bit grand, suggests the increasingly ambitious spirit in which universities are tapping private donors for the money needed to supplement their income from such sources as tuition and public tax funds.

Private fund-raising by higher education came into its own in 1960 when Harvard College successfully completed a campaign to raise \$82 million—a goal which, at that time, was regarded by many as unthinkably high. Once Harvard had proved the skeptics wrong, however, other institutions—Princeton, M.I.T., and Stanford among them—undertook major campaigns. Stanford, in a 3-year campaign, raised \$113 million. Columbia, in the most ambitious effort yet, has just started a 5-year campaign to raise \$200 million.

Moreover, large-scale fund-raising is likely to become the vogue among public as well as private institutions. The state universities have had their eyes on the University of Michigan, which launched a \$55-million campaign in late 1964. The fact that this campaign already has exceeded its goal by several million dollars no doubt will be an inspiration to Michigan's sister institutions in other states. Public institutions already are receiving more than 15 percent of all gift support to higher education. The sums being raised annually from private gifts are impressive, even though they represent, at most, no more than about 10 percent of higher education's annual income. The Council for Financial Aid to Education, Inc. (CFAE), an agency sponsored by a number of major corporations, estimated in its most recent

study of private giving to higher education that donations during the academic year 1964–65 amounted to \$1.5 billion. Gifts totaling \$1.2 billion actually were reported to CFAE. Of that amount, the 53 major private universities surveyed received \$477.7 million; 365 private coeducational colleges got \$304.2 million; and 181 state institutions received \$187.2 million. Various other categories of institutions, such as private men's and women's colleges and professional schools, got varying amounts of less than \$100 million.

The CFAE 1964–65 survey indicated that giving had more than trebled over a 10-year period and that it was up 36.6 percent from 1962–63. The council's preliminary data for 1965–66 indicate that total giving to higher education in that year was down somewhat from the \$1.5 billion of the previous year. The explanation, however, is believed to lie in the fact that some major capital campaigns peaked in 1964–65, and that the bequests and foundation grants made that year were unusually large. Almost 29 percent of the money contributed in 1964–65 was from foundations; nearly 25 percent was from "nonalumni" individuals; 20 percent was from alumni; 14 percent was from corporations; and about 12 percent was from religious denominations and other sources.

Pattern of Support Changing

The pattern of support has been changing, and it seems likely that foundation support, as a proportion of the total, will decline. Among the foundations, only the Ford Foundation has had the resources to make numerous large general-support grants to higher education. Ford "challenge grants," requiring matching on a 3- or 4-to-1 ratio by funds raised from other private sources, have provided a stimulus to the campaigns of scores of institutions. One of the largest was a \$25-million grant to Stanford. Columbia will receive a like sum from Ford if its fund-raising is successful. However, to bring its spending more in

line with its income, Ford has indicated that its challenge-grant program may be almost at an end. Henceforth, Ford's presence on the higher education scene will be felt principally through its innovative programs, such as the recently announced \$41-million program to improve and expedite doctoral training for degree candidates in the social sciences and humanities.

The biggest potential source of the philanthropic dollar is the wealthy individual, and it is to him that colleges and universities more and more are looking. Giving by people of wealth is believed to be growing more important than giving by foundations. Corporate support to higher education also is becoming a larger part of total giving, although it has not moved ahead of alumni giving into a third-place position behind nonalumni and foundation support.

It has long been axiomatic among professional fund-raisers that a third of the money raised in a campaign comes from the ten largest gifts, the next third from the next 100 largest, and the remaining third from all the rest together. Even this "rule of thirds," however, may understate the importance of the major donors. According to an American Council on Education study, to be published later this year, 75 percent of the money donated to higher education in one recent year came from the 1 percent of the donors who gave \$5000 or more. This finding is based on a sample representing about half of the estimated \$1.2 billion donated to colleges and universities in 1962–63. The study also produced several findings suggesting that major donors are less interested in the tax advantages of deferred giving and gifts of securities than one might imagine. Of the total gift support, 95 percent was in outright gifts and 75 percent was in cash.

In the annual report of the Ford Foundation, McGeorge Bundy, president of Ford, said that wealthy individuals and corporations should be giving far more to higher education than they are. "Gifts have multiplied three and a half times in the last 15 years, but they should be five times what they are," Bundy said. "The American rich—old and new—are missing a lot of excitement by their relatively slow and feeble giving. Where are the modern Andrew Carnegies—the men who will do *more* than all their friends expect?"

Although the income of most institutions has increased greatly over the past decade, their financial resources in relation to the new demands on them—growing student bodies and more complex and costly programs in the sciences and other fields—are inadequate. Most of the presidents of 14 major institutions polled by CFAE in October 1965 indicated that their institutions were worse off financially than they had been 10 years earlier. To use a slogan from the Michigan campaign, gift support often provides the “vital margin.” Even in the case of the private institutions, in general, gift income is nearly twice the earnings from endowment.

What are the prospects for sustaining and increasing support from philanthropic sources? Most of the university officials and professional fund-raisers to whom *Science* has put this question responded optimistically. Neither John J. Schwartz, executive director of the American Association of Fund-Raising Counsel (AAFRC), nor John A. Pollard, CFAE vice president for research, could recall any fund campaign of recent years having failed, although some campaigns have had to be extended to meet their goals.

Schwartz said that campaigns are now usually planned and conducted in a more professional manner than in the past. Careful feasibility studies help the institutions to set realistic goals and to identify probable donors of major gifts. Even an institution which does not employ professional fund-raising counsel often has a veteran of a major university campaign on its staff.

The art of putting the touch on the major prospects has been highly developed. A time-honored way of seducing the really prime prospect, of course, is to put him on the board of trustees. According to the John Price Jones Company, the oldest of the fund-raising consultant firms, successful campaigns usually get 15 to 30 percent of their money from or through the trustees. In the Princeton campaign, the trustees played an elaborate game of mutual seduction. Two trustees would get together and call on a third to “discuss his gift.” So it went until all had contributed—handsomely.

Boards of trustees cannot be enlarged to accommodate all the major prospects but there are other means by which the well-heeled can be brought into the “family.” They can

be asked to serve on the university’s development council or on one of the various visiting or advisory committees. Ideally, they should really be given something to do. In a paper on the “fundamentals of cultivating key-gift prospects,” John Price Jones says, “We must avoid creating the impression that they are desired within the college structure solely because of their favored financial position.” The suspicion persists that honorary degrees (say, a doctorate in “commercial science”) still are sometimes awarded to soften up or reward a donor, but some qualified observers believe this practice is on the decline.

Not everyone is sanguine about the current and future prospects for fund-raising. George Pake, provost of Washington University in St. Louis, points to several new circumstances which he believes are hurting. Student unrest—manifested in picketing, sit-ins, draft-card burnings, and all the rest—is putting some large potential contributors in an ungenerous mood, Pake believes. “People mention this to our fund-raisers,” he says.

Fortunes Reduced

Another development which, in Pake’s judgment, has made for fewer large benefactions was last year’s decline in the stock market. The decline reduced many personal fortunes and, Pake believes, cut significantly into the margin of personal wealth available for gifts to higher education. A third thing which Pake thinks has created difficulties is the belief on the part of some potential donors that Federal grants and contracts are providing the answer to higher education’s financial problems. Finally, Pake observes that discontinuance of the Ford challenge-grant program is necessarily a disappointment to a number of institutions with major fund-raising ambitions.

Despite the apparent success of current fund campaigns in meeting their goals, Pake’s observations cannot be dismissed, for money-raising might be still more successful if it were not for the circumstances to which he refers. However, most fund-raisers with whom *Science* talked attach less importance to these factors than Pake does. For instance, most seemed to believe that awareness of the financial needs of higher education is increasing and that potential donors usually can be made to understand that federal support, though growing, by no means meets the

demands for funds. As for the effect of the stock market decline, the 1967 edition of *Giving USA*, an AAFRC publication, reports that philanthropic gifts have increased steadily since 1940, despite stock market fluctuations. In fact, fund-raising is not going badly at Pake’s own institution. With better than 2½ years to go in its \$70-million campaign, Washington University has raised more than \$36 million.

Student unrest undoubtedly influences the attitude of certain potential donors, particularly those looking for an excuse not to give. To judge from the success of fund campaigns conducted by some of the institutions where student demonstrations have been in evidence, however, it appears that most donors look upon the student activist with philosophic calm.

Stanford has had its share of student demonstrations, including the recent one in which the police and secret-service men protecting Vice President Humphrey had to fend off a group protesting the Vietnam war. “Some recent campus events, such as the Humphrey incident, do not increase current gift support,” Daryl H. Pearson, Stanford’s general secretary, says mildly. But the Stanford campaign to raise \$25.8 million during the current fiscal year is coming along well, Pearson says, although it may have to be extended by a few months.

If any institution should feel the effects of student unrest on private giving it is Berkeley, where relations between students and campus authorities at times have verged on open warfare. Alumni-giving at Berkeley, though never very important, has been increasing. Total giving, from all sources, showed a \$4-million decline in 1965–66 from the \$9 million received the previous year, but this was due principally to large, nonrecurring foundation gifts received in 1964–65. The Berkeley campus is mounting a \$15-million centennial campaign for next year to raise funds for improving the quality of undergraduate life and instruction. To those potential donors who mention student upheavals, the solicitors will have a ready answer—their money is needed to change some of the conditions that produced the unrest.

Preparations for the Berkeley campaign have been marked by caution. The university, having enough political and public-relations problems already, has sought to assure California’s pri-

vate institutions that it does not intend to poach on their fund-raising preserves. University of California officials, meeting privately with officials from institutions such as Stanford and Caltech, came bearing the word that the aims of the Berkeley campaign were modest and that the appeal for funds would be confined to alumni and "friends," defined as persons who have demonstrated their interest in Berkeley.

Through its \$55-million campaign, the University of Michigan, which has no powerful private-university neighbors within the state to worry about, is revealing how pervasive the influence of a major state institution can be. With 215,000 living alumni, the university has been casting its net far beyond Michigan in its search for funds. Michigan alumni are found in the executive suites of many national corporations, and the corporate gifts have been rolling in.

In all the talk about the merits of giving to higher education, much is

said about the value of the private dollar as a safeguard to an institution's freedom to guide its own destiny. However, the Michigan experience points up the fact that a university's sense of priorities can be affected by its desire for private money as well as by its desire for federal grants and contracts. A major goal of the \$55-million campaign has been to raise \$4 million for the university's first residential college, which has been designed to show that a huge public institution can provide some warmth and intimacy. The idea of establishing an institute for highway safety research had been mentioned, but it was not deemed sufficiently important to be put down as a campaign goal.

As things have turned out, however, Michigan has raised \$10 million for the highway safety institute, but only about \$2500 thus far has been donated specifically for the residential college. When approached by solicitors, the automobile manufacturers were not interested in the college project but they did

respond to a university proposal to establish the facility for safety research. The industry gift, announced in December 1965, coincided with the Senate inquiry on Ralph Nader's charge that, in designing cars, the automobile manufacturers had been guilty of gross neglect of passenger safety. The *Michigan Daily*, the gadfly student newspaper, and some faculty members criticized the decision to establish the institute, calling it a distortion of university priorities. The criticism appears to have died down now, however. And, despite the lack of gift support, a start on implementing the residential college idea will be made this fall in existing facilities. Eventually, a 50-acre tract will be developed as a "campus-within-a-campus."

In a perfect world, fund-raisers no doubt would expect nothing but unrestricted gifts—donors would put the money on a stump and run. The campaigners are quite used to living in the real world, however, and gifts earmarked for special purposes are not only welcomed but energetically solicited. In this era, when the general trend of giving is upward, most fund-raisers appear to be counting their blessings as well as their gifts. Many share the sentiments of the Harvard development officer who says, "I find it very hard to be discouraged." As long as the U.S. economy continues to grow, private giving to higher education should be on the increase, student unrest and occasional dips in the stock market notwithstanding.

—LUTHER J. CARTER



Norwood Russell Hanson, 43, professor of philosophy at Yale University, was killed 18 April when his Grumman F8F Bearcat plane crashed near Cortland, New York, while he was en route to lecture at Cornell University.

In aviation and in scholarship, Hanson was an outstanding personality. During World War II, as a Marine Corps pilot, he won the Distinguished Flying Cross for 54 carrier-based missions, and that same year looped the Golden Gate Bridge. "My promotion

was held up for 22 months because of that," he once remarked. While following an academic career after the war, Hanson kept up his interest in flying and gained a wide reputation as a daring acrobatic performer.

His academic career was renowned. He held degrees from Chicago, Columbia, Yale, Oxford, and Cambridge universities. He also held a New York Philharmonic Music Scholarship, a Johnstone Scholarship at Columbia, a Fulbright Fellowship at Oxford, a St. John's College of Cambridge University Scholarship, and a Nuffield Foundation Prize Fellowship for work at the Institute for Advanced Study at Princeton, California Tech, the Sorbonne, and Milan.

His teaching career started at Cambridge, where from 1952 to 1957 he was university lecturer in the philosophy of science. From there he went to Indiana University, where in 1960 he was appointed chairman of the department of the history and logic of science. He joined the Yale faculty in 1963.

He was author of *Patterns of Discovery* and *Concept of the Positron*.

Dr. Hanson was also secretary of the AAAS Section L (History and Philosophy of Science) until his resignation in February of this year.

Appointments

Richard C. Sanborn, deputy head of biology for regional campuses, Purdue University Lafayette campus, to assistant dean for academic affairs at Purdue Indianapolis campus, and **Joseph M. Biedenbach**, assistant director of the Purdue Indianapolis campus, to assistant dean for administration of the Indianapolis campus. . . . **Richard B. Curtis**, assistant dean for research at Indiana University and executive associate for research at the Indiana University Foundation, to director of the Study of Postdoctoral Education in the U.S. Office of Scientific Personnel of the National Research Council. He succeeds **Robert A. Albery**, who is to become dean of the School of Science, Massachusetts Institute of Technology. . . .