

P521: THE NONPROFIT AND VOLUNTARY SECTOR

*Indiana University
Executive Education
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Instructor / Contact Information

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Course Overview

This course is an introduction to the nonprofit and voluntary sector in the United States. We will examine the number, size, scope, and function of nonprofit institutions taken as a whole and in various categories, and look at historical and current trends. We will explore the philosophical, political, economic, legal and historical rationales for the existence of the sector. We will consider the various roles these organizations play in American society, public policy issues related to the sector, and the reasons why people associate, give money, and donate time. The primary goals of this course are develop students' competencies so that they can:

- understand and describe the contours and composition of the sector;
- define and critique key terms, theories, and ideas in the literature and public discourse about nonprofit organizations and civil society;
- explain and analyze the theories as well as history of philanthropy and the nonprofit sector in the United States;
- critically evaluate public policy and management issues related to nonprofits and philanthropy; and
- articulate their own personal definition of and perspective on the role(s) and capacity of philanthropy in American society.

In this course we seek to create a lively, polite but challenging conversation between the instructor and students, and among the students about American philanthropy and nonprofits. This discussion will begin on-line through the web (via the Oncourse software – under the Discussion Forums section) during the week of May 17, and continue until the week prior to our meeting on campus (July 7-13) when we can engage in dialogue face-to-face. The success of this course as a learning experience for all depends on *every* student taking an active part – in reading assignments, reflecting upon the readings, and then sharing ideas with others during the weekly electronic discussions (in Discussion Forums in Oncourse) and campus week seminars. **Note:** It is my belief that the students will have as much to learn from one another as from me.

In addition to the readings and discussions, students will complete a “take-home” exam (**Due August 23**); and be required to write a 10-page paper that reviews the relevant research literature and develops a position on a specific topic (**Due September 10**). Material for the paper can be gathered during the week in Indianapolis, when the instructor and librarians in the Joseph and Matthew Payton Philanthropic Studies Library will be available to assist class members.

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Please obtain the following required texts (at a bookstore or at an online vendor):

Understanding Philanthropy: It's Meaning and Mission. Robert L. Payton & Michael P. Moody. Bloomington, Indiana: Indiana University Press, 2008.

The Nonprofit Sector: A Research Handbook (2nd Ed.) Walter W. Powell & Richard Steinberg, Editors. New Haven, CT: Yale University Press, 2006. → **Note:** Readings from this are cited as [NSRH] in the readings section of this syllabus.

Charity, Philanthropy & Civility in American History. Lawrence J. Friedman & Mark D. McGarvie, Editors. Cambridge, England: Cambridge University Press, 2003. → **Note:** Readings from this are cited as [CPCAH] in the readings section of this syllabus.

America's Nonprofit Sector: A Primer. Lester Salamon. Washington, DC; Foundation Center, 1999.

America's Voluntary Spirit. Brian O'Connell, Editor. Washington, DC; Foundation Center, 1983. → **Note:** Readings from this are cited as [AVS] in the readings section of this syllabus.

Grading Policy:

Your final grade will reflect the degree to which you have met all course expectations. Please feel free to discuss the criteria for any assignment with me before the due date. The **Course Expectations** section notes the percent of your course grade allocated to each assignment. Specific details for some assignments will be provided in the Schedule section of Oncourse and others will be discussed during the progression of the course. I will expect all students to demonstrate advanced cognitive skills on each course assignment: application, analysis, synthesis, and evaluation. Other general evaluation criteria include:

1. Assignments should possess clear, well developed, and defined arguments, and should be revised and proofread so that they are professional in appearance.
2. All assignments should be typed, double-spaced, in a 12-point font that is easy to read.
3. References and citations should follow the *American Psychological Association Manual of Style*.
4. Assignments should be e-mailed as an attachment in Microsoft Word or WordPerfect by the due date. (A late assignment will be lowered a letter grade for each day it is late.)

I will not accept late work unless you have made prior arrangements with me. Please also keep an extra copy of all work e-mailed to me.

Students should also note that a grade of "Incomplete" will not be given without a confirmed medical reason.

Course Expectations:

40% **Active, constructive participation in Discussion Forums (under In Touch in Oncourse) and Campus Seminars.**

*Each student should complete the readings for the week indicated on the syllabus in time to begin online discussions on the Monday of that week; discussions will center on assigned readings and require active participation. **To achieve a high grade, one must complete readings on time and offer insightful and reflective comments on a weekly basis On-line, and be engaged in class conversations and exercises during the Campus Week.***

30% **Annotated Bibliography (due August 2) and Research Paper (due September 10)**

[See Schedule in Oncourse for Further Information]

In consultation with the instructor, you will be asked to choose a topic to write a short paper of 10 pages in length (double-spaced) that explores the research literature and develops a position on a specific topic. Each paper topic will require reading beyond the assigned course material. Options include papers exploring a topic addressed in the course, but taken to much greater depth; or exploring topic on philanthropy and nonprofits not explored in this course.

30% **Exam (August 23)**

The “take-home” exam will include two essay questions and ask you to demonstrate your knowledge of the course content as well as your ability to analyze, synthesize and evaluate the nonprofit sector and philanthropy in America.

P521 Expectations for Online Discussions (Discussion Forums section of Oncourse):

1. If you have logistical questions, please contact me anytime. I will be monitoring the online discussions in the Class Discussion Forum of Oncourse each week and tracking the participation of class members. Although it is not necessary for everyone to respond every week to every aspect of the discussion, weekly participation in some element of the discussion is expected.

- *Note: I will be travelling from June 9-16, and so not readily accessible by phone much of that month. However, I will be checking the on-line discussions and picking up e-mail as regularly as possible.*

2. There is no such thing as a "dumb question." If you don't understand something you are reading, or if someone uses a term or acronym with which you are not familiar, you are probably not alone, so please take the initiative to ask.

3. Please keep in mind that this discussion on-line doesn't work if people do not participate honestly and civilly. Therefore, it is important to send those "I agree..." or "I disagree..." messages, and be willing to be forthright but respectful in expressing your point of view. Also, Please follow "standard netiquette" when it comes to personal messages. If the comment is not meant for the whole group, it should be sent only to the individual(s) it concerns (e.g., if you have an idea or comment meant only for a specific member of the class).

5. **Beginning May 14 each student should choose a week to be the “initial respondent” to start one of the discussions in the Class Discussion Forum section (under In Touch) of**

Oncourse. I will place discussion questions in the Schedule section of Oncourse, and the student leaders for that week will be expected to start a dialogue around those questions.

Assignments of students to weeks will be on a first-come, first-served basis. **Be sure to sign up ASAP for the week you want.** (Choose a time when you know you will not be on vacation with your family or buried with work. If you find your plans need to change, you are responsible for "switching" with someone and letting the instructor know.)

6. Each week, I will create a new discussion forum (titled Week I, then Week II, and so on). When you submit a message, especially the first message in a thread, please define the topic explored by giving a detailed descriptor of the topic(s) in the subject line. This approach will make it less likely that separate threads strongly overlap.

7. Note: It appears that spell check does not work in Oncourse. If you want to spell check any message you send through the Oncourse mail or the Discussion Forums, you will need to write the message in Word, spell check it there, and then paste the message in the Discussion Forum or Oncourse Mail.

8. You should plan to read the assigned weekly texts carefully, with the understanding that you will need to review the readings for the campus week and exam.

Plagiarism

Plagiarism is the use of the work of others without properly crediting the actual source of the ideas, words, sentences, paragraphs, entire articles, music or pictures. Using the work of other students, with or without their permission, is plagiarism if there is no indication of the source of the original work. Plagiarism, a form of cheating, is a serious offense and will be severely punished. When plagiarism is suspected, the instructor will inform the student of the charge; the student has the right to respond to the allegations. If a student is charged with plagiarism, procedures outlined in the IUPUI "Student Rights and Responsibilities" statement will be followed. Students have the right to appeal any charge to the Academic Affairs Committee.



CLASS AGENDA & SCHEDULE OF READINGS FOLLOWS

* Where readings that follow are not shown to be in one of the texts, they should be available to you online in the Resources section of the Course Site in the Oncourse software. If for some reason I have not been able to get a piece in a format so I can do that, I will let you know.

CLASS AGENDA & SCHEDULE OF READINGS:

Section 1 — **The Development of the Practices of Philanthropy** & **The Origins of Nonprofit Activity**

~ **Note: These readings should be completed by May 17, for discussions (on-line) from May 18 to May 22.**

- Readings:
 - “The Elizabethan Statute of Charitable Uses” (from Hammack reader)
 - “A Model of Christian Charity” by John Winthrop. [AVS]
 - “Doing Good in the New World” by Robert Bremner. [AVS]
 - “Women in Groups: Women’s Benevolent Organizations”
by Anne Boylan. (Journal of American History, Vol. 71, #4, 1984)
 - “Colored Ladies also Contributed” by Kathleen Berkeley. (In *The Web of Southern Social Relations*. Fraser, W.J. & Wakelyn, J.L. (Eds.) 1985)
 - “The Gospel of Wealth” by Andrew Carnegie. [AVS]
 - “A Historical Overview of Philanthropy, Voluntary Associations, and Nonprofit Organizations in the United States, 1600-2000” by Peter D. Hall. [NSRH]

- Readings:
 - Chptr 2 from *Understanding Philanthropy: It’s Meaning and Mission*
 - “The Dartmouth College Case and the Legal Design of Civil Society”
by Mark McGarvie. [CPCAH]

Section 2 — **Political Theories, Tax Treatment and Critical Perspectives about Nonprofit Organizations on Philanthropy**

~ **These readings should be completed for discussions (on-line) to begin May 24.**

- Readings:
 - “Of the Use Which Americans Make of Public Associations in Civil Life” by Alexis De Tocqueville. [AVS]
 - “The Constitution of Citizens: Political Theories of Nonprofit Organizations” by Elisabeth Clemens. [NSRH]
 - Chapters 2-5, *America’s Nonprofit Sector: A Primer*, by Lester Salamon
 - “Rationales for Tax Exempt Organizations” by Bruce Hopkins.
 - “Tax Treatment of Nonprofit Organizations: A Two-Edged Sword”
by Brody & Cortes.
 - “The Voluntary Sector: Problems and Challenges” by Pablo Eisenberg. [AVS]
 - “Charitable Giving Patterns by Elites in the United States” by Teresa Odenhal.

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Section 3 — **Overview of the Structure of the Sector. And Social Services & Health Care: Nonprofit, For-Profit or What?**

~ ***These readings should be completed for discussions (on-line) from May 31 to June 5.***

- Readings:
 - Chapters 6 & 8, *America's Nonprofit Sector: A Primer*, by Lester Salamon
 - "The Philanthropy 400" from *The Chronicle on Philanthropy*. [Get the most recent version on line at their website.]
 - The "Nonprofit Almanac in Brief," Urban Institute. [Most recent version available at http://www.urban.org/UploadedPDF/311373_nonprofit_sector.pdf.]

- Readings:
 - "The Scope and Theory of Government Non-Profit Relations," by Steven Smith and Kirsten Gronbjerg. [NSRH]
 - "The Hidden Economy of Nonprofits." by Ronald A. Wirtz. Report of the Federal Reserve Bank of Minneapolis available at <http://minneapolisfed.org/pubs/region/06-09/nonprofits.cfm>
 - "The Nonprofitization Movement as a Form of Devolution" by Richard P. Nathan (et. al.).
 - "Spinning the Poor into Gold" by Barbara Ehrenreich. (*Harpers Magazine*, August, 1997)
 - "Nonprofit Organizations and Health Care: Some Paradoxes of Persistent Scrutiny" by Mark Schelsinger & Bradford Gray. [NSRH]
 - "Commercialism in Nonprofit Hospitals" by Frank Sloan.

Section 4 — **Arts, Cultural, and Religious Organizations**

~ ***These readings should be completed for discussions (on-line) from June 7 to 12.***

- Readings:
 - "Nonprofit Organizations and the Intersectoral Division of Labor in the Arts" by Paul DiMaggio. [NSRH]
 - Chapter 9, *America's Nonprofit Sector, A Primer*, by Lester Salamon.

- Readings:
 - Chapters 1 & 2, *Congregations in America*, by Mark Chaves. (Cambridge, MA: Harvard University Press, 2004.)
 - "Religious Organizations" (Tax Treatment) by Bruce Hopkins.
 - "The Corporation Sole and the Encounter of Law & Church" by Perry Dane.
 - "Religious-Based Social Service Provision" by Ram Cnaan and Stephanie Boddie.
 - Chapter 11, *America's Nonprofit Sector*, by Lester Salamon.

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Section 5 — Giving & Getting: Donors, Foundations & Fundraising

~ ***These readings should be completed for discussions (on-line) from June 14 to 19.***

- Readings:
 - “The Difficult Art of Giving” by John D. Rockefeller. [AVS]
 - “Principles of Public Giving” by Julius Rosenwald. [AVS]
 - “Giving in America: From Charity to Philanthropy,” by Robert A. Gross. [CPCAH]
 - “Charitable Giving: How Much, by Whom, to What, and How?” by John J. Havens, Mary A. O’Herilhy, Paul G. Schervish. [NSRH].
 - “Giving and Getting: Philanthropy as a Social Relation.” By Susan Ostrander and Paul Schervish. (Chapter 4 in *Critical Issues in American Philanthropy*, Jon Van Til (Ed.), 1990)
 - Review 2007 *Giving USA* release and charts at <http://aafrc.org>

Section 6 — Governance & Management: Roles of Volunteers and Staff

~ ***These readings should be completed for discussions (on-line) to begin June 21 to 26.***

- Readings:
 - “Moral Responsibilities of Trustees” by David H. Smith (*Nonprofit Management & Leadership*, Vol. 9, #2, 1998.)
 - “Governance: Research Trends, Gaps, and Future Prospects” by Francie Ostrower and Melissa Stone. [NSRH]
 - “Effective Oversight: A Guide for Nonprofit Directors” by Regina Herzlinger (*Harvard Business Review*, July-Aug., 1994)
 - “Strengthening Board Performance: Findings and Lessons from Demonstration Projects” by Thomas Holland & Douglas Jackson. (*Nonprofit Management & Leadership*, Vol. 9, #2, 1998.)
 - “The Effective Executive” by Robert Herman & Richard Heimovics. (*Nonprofit Management & Leadership*, Vol. 1, #2, 1990)

Section 7 — Organizational Development & Evolution

~ ***These readings should be completed for discussions (on-line) to begin June 28 to July 2.***

- Readings:
 - “Nonprofit Mission: Constancy, Responsiveness, or Deflection?” by Debra Minkoff and Walter Powell. [NSRH]
 - “From Evangelism to Social Service: The Transformation of the YMCA” by Meyer Zald and Patricia Denton (*Administrative Science Quarterly*, 8:214-34, 1963.)

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Appendix

Useful Web Sites and Internet Addresses

Nonprofit Databases and Related Listings

- Guidestar: <http://www.guidestar.org/>, web database of all IRS-registered charitable nonprofits. See articles on reading Form 990, fundraising, and legal issues at <http://www.guidestar.org/npo/nparticles/index.jsp> and on analyzing Form 990 at <http://www.guidestar.org/news/features/ratios.stm>.
- IRS: <http://www.irs.gov/> and follow link for charities and nonprofits for additional see links to a variety of resources for organizations seeking exempt status as well as codebook and downloadable list of registered nonprofits.
- Urban Institute: <http://www.urban.org/centers/cnp.html>, see National Center for Charitable Statistics and the links under <http://nccs.urban.org/links.htm>
- Quality 990: <http://www.qual990.org/>, efforts to improve quality of reporting on Form 990.
- Better Business Bureau: <http://www.bbb.org/about/pas.html>, ratings of nonprofits.
- National Charities Information Bureau: <http://www.give.org/>, information for donors.
- The Johns Hopkins Third Sector Project: <http://www.jhu.edu/~ccss/>, see links to the Center for Civil Society, the Comparative Nonprofit Sector Project, and the Nonprofit Employment bulletins.
- American Religion Data Archive: <http://www.thearda.com/>, links to major data sources on religion.

Nonprofit Professional Associations and Infrastructure Organizations

- ARNOVA: <http://www.arnova.org/>. Association for Research on Nonprofit Organizations and Voluntary Action - the major scholarly association in the field. Here you will find a variety of resources, and a lightly moderated discussion group for researchers in the field called ARNOVA-L. (Some resources are available to members only, but the listserv is open to all.)
- ISTR: <http://www.jhu.edu/%7Eistr/networks/asia.html>. International Society for Third-Sector Research.
- American Society of Association Executives: <http://www.asaenet.org/main/>, professional association of association executives.
- Alliance for Nonprofit Management: <http://www.allianceonline.org/>, association of nonprofit managers and consultants to nonprofits - from merger of Support Centers of America and Nonprofit Management Association.
- American Association of Fund-Raising Counsel: <http://www.aafrc.org/>, affiliated group, AAFRC Trust for Philanthropy, publishes *Giving USA*, see <http://www.aafrc.org/giving/index.html>
- Association of Fundraising Professionals: <http://www.nsfre.org/index.cfm>, professional association of fundraisers
- Independent Sector: <http://www.independentsector.org/>, trade association for national nonprofits (ignore request for password, e.g., press <escape> button).
- Nonprofit Sector Research Fund at the Aspen Institute: <http://nonprofitresearch.org/>, reports and summaries of funded research projects.
- Foundation Center: <http://fdncenter.org/>, search foundations. See also "Literature of the Nonprofit Sector": <http://Inps.fdncenter.org/>
- Council on Foundations: <http://www.cof.org/>, information about foundations.
- National Council of Nonprofit Associations: <http://www.ncna.org/>, network of state and regional associations of nonprofit organizations.
- *The Nonprofit Gateway* <http://www.nonprofit.gov/>, a network of links to the federal government.
- Nonprofit cyber-accountability <http://www.bway.net/~hbograd/cyb-acc.html>, provides information about accessing the discussion group of the same name focusing on legal and reporting issues.
- Internet Nonprofit Center: <http://www.nonprofits.org/>, a variety of resources and links.
- The Chronicle of Philanthropy: <http://philanthropy.com/>, major publication in the field
- NonProfit Times: <http://www.nptimes.com/>, news media outlet focusing on the nonprofit sector.
- American Philanthropy Reviews <http://charitychannel.com/>, career opportunities, discussion forums, etc.
- International Center for Nonprofit Law: <http://www.icnl.org/>, resource on international nonprofit developments.

- Philanthropic Studies Index: <http://cheever.ulib.iupui.edu/psipublicsearch/> searchable database for publications on philanthropy.
- Action Without Borders: <http://www.idealists.org/>, nonprofit resources.
- Common Wealth: <http://tap.epn.org/commonwealth/>, highlights key debates in the field.
- Charity Village <http://www.charityvillage.com>, Canadian site of nonprofit resources.

Indiana Resources

- Indiana Nonprofit Sector: <http://www.indiana.edu/~nonprof/>, description and analysis of Indiana nonprofit sector.